

**TOWN OF NEW LONDON,  
NEW HAMPSHIRE**

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024**

**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
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**JUNE 30, 2024**

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## **PLODZIK & SANDERSON**

*Professional Association/Certified Public Accountants*

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### ***INDEPENDENT AUDITOR'S REPORT***

To the Members of the Board of Selectmen  
Town of New London  
New London, New Hampshire

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

We have audited the financial statements of the governmental activities, each major governmental fund, and the aggregate remaining fund information of the Town of New London, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of New London's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major governmental fund, and the aggregate remaining fund information of the Town of New London, as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the major general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of New London and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

##### ***Emphasis of Matter – Change in Accounting Principle***

As discussed in Note 2-C to the financial statements, in the year ending June 30, 2024, the Town adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment to GASB Statement No. 62*. Our opinion is not modified with respect to this matter.

##### ***Responsibilities of Management for the Financial Statements***

The Town of New London's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of New London's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

##### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

***Town of New London  
Independent Auditor's Report***

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of New London's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of New London's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements:

- Management's Discussion and Analysis
- Schedule of the Town's Proportionate Share of Net Pension Liability,
- Schedule of Town Contributions – Pensions,
- Schedule of the Town's Proportionate Share of Net Other Postemployment Benefits Liability,
- Schedule of Town Contributions – Other Postemployment Benefits,
- Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios, and
- Notes to the Required Supplementary Information

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of New London's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

January 29, 2025  
Concord, New Hampshire

***Plodzick & Sanderson  
Professional Association***



# TOWN OF NEW LONDON, NEW HAMPSHIRE

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## **Management's Discussion & Analysis June 30, 2024**

The Board of Selectmen and Town Administrator, as management of the Town of New London, offer readers of the Town's annual financial statements this narrative discussion and analysis of the financial activities of the Town of New London for the period ending June 30, 2024. The financial statements presented here include the 12-month period July 1, 2023 through June 30, 2024.

This discussion and analysis is prepared in accordance with the provisions of the Governmental Accounting Standards Board Statement No. 34 (GASB 34). We encourage readers to consider the information presented here in conjunction with additional information found within the body of the annual financial statements.

### ***FINANCIAL HIGHLIGHTS***

The Town's total net position for the year ending June 30, 2024, was \$12,046,133 as compared to the prior year amount of \$11,433,579, at the end of June 30, 2023. Net position increased by \$612,554 from June 30, 2023 to June 30, 2024.

As of June 30, 2024, the Town's total net position consisted of \$7,610,625 in net investment in capital assets, restricted net position of \$2,428,206, and unrestricted net position of \$2,007,302. The Town's long-term obligations of \$12,488,947 consisted of \$5,766,722 in general obligation bonds/notes payable and related unamortized premium, \$293,383 in compensated absences payable, \$255,000 in accrued landfill post-closure care costs, \$5,028,561 in net pension liability, and \$1,145,281 in other postemployment benefits payable.

During the period, the Town's expenses of \$9,927,070 were \$612,554 less than revenues. Revenues consisted of charges for services (\$939,883), operating grants and contributions (\$655,446), capital grants and contributions (\$0) and general revenues (\$8,944,295) - primarily taxes, motor vehicle permit fees, state and federal grants and contributions, and miscellaneous revenue.

### ***OVERVIEW OF FINANCIAL STATEMENTS***

The following is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise four components: government-wide financial statements; fund financial statements; notes to financial statements; required supplementary information; including this discussion and analysis. This report also contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two kinds of statements that present different views of the Town based upon measurement focus and basis of accounting. The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Town, reporting the Town's operations in more detail than the government-wide statements. The governmental fund statements tell how the Town's services were financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about the financial relationships in which the Town acts solely as an agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business. The Statement of Net Position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation time).

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: Governmental Funds and Fiduciary Funds.

The General and Permanent Funds are the major governmental funds, while five special revenue funds, and two capital project funds are consolidated as Nonmajor Governmental funds. The Nonmajor funds are the Sewer, Conservation Commission, Recreation, Recycling, Special Details, and Whipple Town Hall Project, respectively. General Fund revenues and expenditures are compared to budget in the Statement of Revenues, Expenditures and Changes in Fund Balances. Fiduciary funds are custodial funds and private purpose trust funds which are used to benefit outside parties and cannot be used to support any of the Town's own programs.

**Notes to Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information required by the Government Accounting Standards Board. Additional combining statements and individual fund schedules are presented immediately following the Notes to Financial Statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Change in Net Position**

The government-wide financial statements -- the Statement of Net Position (Exhibit A) and Statement of Activities (Exhibit B) -- provide a comprehensive summary of governmental activities. The Statement of Net Position may serve, over time, as a useful indicator of a government’s financial position. Net investment in capital assets is \$7,610,625. Restricted net position of \$2,428,206 are restricted by constraints imposed from outside the Town, such as cemetery, library trust funds and capital projects. As of June 30, 2024, unrestricted net position of the Town is \$2,007,302.

The Town’s financial position is the product of several financial transactions including the net results of activities and payment of debt. A summary of long-term debt obligations can be found in the Notes to Financial Statements. Comparative Net Position for the periods ending June 30, 2024 and June 30, 2023 are shown below.

*Comparative Net Position*

|                                   | <u>FY2023</u>        | <u>FY2024</u>        | <u>Amount<br/>Change</u> | <u>%<br/>Change</u> |
|-----------------------------------|----------------------|----------------------|--------------------------|---------------------|
| Total assets                      | \$ 33,665,402        | \$ 35,281,992        | \$ 1,616,590             | 4.8%                |
| Deferred outflows of resources    | 1,381,299            | 1,313,202            | (68,097)                 | -4.9%               |
| Long-term liabilities outstanding | 12,164,606           | 8,517,583            | (3,647,023)              | -30.0%              |
| Other liabilities                 | 7,740,240            | 12,488,947           | 4,748,707                | 61.4%               |
| Total liabilities                 | <u>19,904,846</u>    | <u>21,006,530</u>    | <u>1,101,684</u>         | 5.5%                |
| Deferred inflows of resources:    | <u>3,708,276</u>     | <u>3,542,531</u>     | <u>(165,745)</u>         | -4.5%               |
| Net position:                     |                      |                      |                          |                     |
| Net investment in capital assets  | 9,784,506            | 7,610,625            | (2,173,881)              | -22.2%              |
| Restricted                        | 2,244,436            | 2,428,206            | 183,770                  | 8.2%                |
| Unrestricted                      | (595,363)            | 2,007,302            | 2,602,665                | 437.2%              |
| Total net position                | <u>\$ 11,433,579</u> | <u>\$ 12,046,133</u> | <u>\$ 612,554</u>        | 5.4%                |

**Statement of Activities**

The Statement of Activities (Exhibit B) provides an important summary of overall expenditures and revenues for the fiscal year; it includes transactions from all funds. The Town’s total expenses were \$9,927,070; total revenues were \$10,539,624 resulting in an increase of net position of \$612,554. The largest share of revenue, \$6,168,081 (about 59% of total revenues), was from property taxes. The Town’s expenditures were largely for public safety (23%), highways & streets (18%), sanitation (12%) and general government (31%).

Program expenses increased by \$581,314 or 6.2%, in FY2024 (the amounts are displayed in the table below).

The Town’s largest source of program revenues, other than wastewater user fees or grants from the state or federal government, is the charge for dispatch services to our neighboring communities. In fiscal year 2024, New London collected \$184,701 in dispatch fees.

During the period, the Town's expenses were \$612,554 less than revenues generated for charges for services, operating grants or contributions and general revenues/special items (including property taxes and local, state and federal grants and contributions not restricted to specific purposes).

*Comparative Statement of Changes in Activities*

|  | Fiscal Year<br>Ending<br>6/30/2023 | Fiscal Year<br>Ending<br>6/30/2024 | Amount of<br>Change | %<br>Change |
|--|------------------------------------|------------------------------------|---------------------|-------------|
| <b>Governmental activities:</b>                              |                                    |                                    |                     |             |
| General government   | \$ 1,727,542                       | \$ 3,083,363                       | \$ 1,355,821        | 78.5%       |
| Public safety  | 2,564,231                          | 2,270,682                          | (293,549)           | -11.4%      |
| Highways and streets   | 2,101,232                          | 1,789,216                          | (312,016)           | -14.8%      |
| Sanitation   | 1,397,130                          | 1,181,880                          | (215,250)           | -15.4%      |
| Health   | 250,529                            | 255,640                            | 5,111               | 2.0%        |
| Welfare  | 24,090                             | 59,128                             | 35,038              | 145.4%      |
| Culture and recreation                                       | 1,071,369                          | 1,047,421                          | (23,948)            | -2.2%       |
| Conservation   | 66,726                             | 71,982                             | 5,256               | 7.9%        |
| Interest on long-term debt                                   | 142,907                            | 167,758                            | 24,851              | 17.4%       |
| <b>Total governmental activities</b>                         | <u>9,345,756</u>                   | <u>9,927,070</u>                   | <u>581,314</u>      | <u>6.2%</u> |
| <b>Program revenues:</b>                                     |                                    |                                    |                     |             |
| Charges for services   | 978,758                            | 939,883                            | (38,875)            | -4.0%       |
| Operating grants and contributions                           | 272,453                            | 655,446                            | 382,993             | 140.6%      |
| Capital grants and contributions                             | 50,000                             | -                                  | (50,000)            | N/A         |
| <b>General revenues:</b>                                     |                                    |                                    |                     |             |
| Property taxes and other taxes                               | 6,300,788                          | 6,168,081                          | (132,707)           | -2.1%       |
| Motor vehicle permit fees                                    | 1,166,509                          | 1,280,229                          | 113,720             | 9.7%        |
| Licenses and other fees                                      | 142,463                            | 108,931                            | (33,532)            | -23.5%      |
| Grants and contributions not related to<br>specific programs | 517,772                            | 526,204                            | 8,432               | 1.6%        |
| Miscellaneous  | 654,731                            | 860,850                            | 206,119             | 31.5%       |
| <b>Total revenues</b>  | <u>10,083,474</u>                  | <u>10,539,624</u>                  | <u>456,150</u>      | <u>4.5%</u> |
| <b>Change in net position</b>                                |                                    |                                    |                     |             |
| Net position, beginning                                      | 10,695,861                         | 11,433,579                         |                     |             |
| Net position, ending   | 11,433,579                         | 12,046,133                         |                     |             |
| Change in net position                                       | <u>\$ 737,718</u>                  | <u>\$ 612,554</u>                  |                     |             |

## FUND FINANCIAL STATEMENTS

### General Fund

The Town of New London uses separate fund accounting for each of its funds to ensure compliance with finance-related legal requirements. Information from the fund accounting system is essential in managing budgets as the financial year progresses and is useful in assessing financial resource needs for future operation of the Town. The General Fund is what most people think of as "the budget" since it is the focal point of the Annual Town Meeting and largely supported by property taxes.

Schedules 1, 2, and 3 detail General Fund activity for FY2024. Budgeted revenues and other financing sources totaled \$9,569,759 and actual revenues and other financing sources equaled \$9,887,996, for a revenue surplus of \$318,237. Other than property taxes, the largest general revenue received by the Town of New London is from motor vehicles registrations. In fiscal year 2024, the Town recognized \$6,169,126 in property taxes and \$1,280,229 in motor vehicle fees. The Town also receives revenue shared by the State of New Hampshire in the form of meals & rooms tax (\$415,175 in 2024) and highway block grant (\$216,070 in 2024).

Budgeted appropriations and encumbrances from prior year totaled \$9,214,218 while actual expenditures plus encumbered to subsequent year were \$9,879,442 leaving an unexpended balance of appropriations of \$302,317. This amount along with the revenue shortfall make up the 2024 Budget surplus of \$620,554.

The following significant budgetary items are noted:

General Government: The General Government budget represents 18.2% of the total Town budget.

Public Safety: The Public Safety budget makes up 26.4% of the total budget.

Highways & Streets: The Public Works Department comprises 17.2% of the total budget.

Recreation: The Recreation Department budget consists primarily of the Recreation Director’s salary and related expenses, the cost of operating the two public beaches and special events.

The Budgetary unassigned fund balance of the General Fund at the end of fiscal year 2024 was \$2,485,329 which is an increase of \$38,261 over fiscal year 2023. Key factors in the unassigned fund balance are:

|   |                     |
|---|---------------------|
| Unassigned fund balance, June 30, 2023, as restated | \$ 2,450,068        |
| FY2024 revenue surplus                              | 318,237             |
| FY2024 unexpended balance of appropriations         | 302,317             |
| Use of fund balance                                 | (612,000)           |
| Decrease in restricted fund balance                 | 14,707              |
| Decrease in committed fund balance                  | 12,000              |
| Unassigned fund balance, June 30, 2024              | <u>\$ 2,485,329</u> |
| <br>  |                     |
| Difference FY2023 to FY2024                         | \$ 35,261           |

**Sewer Department**

The Sewer Department is operated as a Town department but is funded solely through sewer user fees. New London pumps their effluent to the Sunapee Wastewater Treatment Facility. New London’s portion of the Sunapee Plant’s operating expenses are based on flow and during FY2024 the New London Sewer Department paid 65.45% of the Sunapee Wastewater Treatment Facility expenses. The apportionment rate is reviewed every year.

***Nonmajor Governmental Funds***

Special Revenue Funds: The Town has five special revenue funds: a fund for the sewer department, a fund for donations made to the Conservation Commission; and three revolving funds, one for Recreation Department programs and activities, one for Recycling and one for Police Special Details. The Recycling Revolving Fund returns all but \$5,000 of revenue to the General Fund at the end of every fiscal year.

**Capital Project Fund:** The Town has one Capital Project fund: Whipple Town Hall Project.

Activity for the Nonmajor Governmental Funds are shown on Schedules 4 and 5. The Special Revenue Funds ended the year with the following fund balances:

|                         | FY 2023 | FY 2024 | Change    | % Change |
|-------------------------|---------|---------|-----------|----------|
| Sewer                   | 206,431 | 63,639  | (142,792) | -69.2%   |
| Conservation Commission | 26,599  | 20,917  | (5,682)   | -21.4%   |
| Recreation              | 13,629  | 17,854  | 4,225     | 31.0%    |
| Recycling               | 5,000   | 5,000   | -         | 0.0%     |
| Special Details         | 17,028  | 25,436  | 8,408     | 49.4%    |

The Capital Project Fund ended the year with the following balance:

|                   | FY 2023   | FY 2024 | Change  | % Change |
|-------------------|-----------|---------|---------|----------|
| Whipple Town Hall | (152,001) | -       | 152,001 | -100.0%  |

**CAPITAL ASSETS**

Total Capital Assets increased 5.8% during FY2024.

*Capital Assets*

|                                    | FY2023               | FY2024               | Change            | % Change |
|------------------------------------|----------------------|----------------------|-------------------|----------|
| Land                               | \$ 4,358,449         | \$ 4,358,449         | \$ -              | 0.0%     |
| Construction in progress           | 1,089,281            | 955,771              | (133,510)         | -12.3%   |
| Building and building improvements | 3,087,111            | 3,649,158            | 562,047           | 18.2%    |
| Machinery, equipment, and vehicles | 1,631,261            | 2,011,046            | 379,785           | 23.3%    |
| Infrastructure                     | 2,480,922            | 2,402,923            | (77,999)          | -3.1%    |
| Total                              | <u>\$ 12,647,024</u> | <u>\$ 13,377,347</u> | <u>\$ 730,323</u> | 5.8%     |

**DEBT ADMINISTRATION**

**Long-Term Debt**

|  | FY2023               | FY2024               | Change            | % Change |
|--|----------------------|----------------------|-------------------|----------|
| General obligation bonds/notes payable   | \$ 5,588,805         | \$ 5,766,722         | \$ 177,917        | 3.2%     |
| Compensated absences                     | 289,253              | 293,383              | 4,130             | 1.4%     |
| Accrued landfill post-closure care costs | 267,000              | 255,000              | (12,000)          | -4.5%    |
| Net pension liability                    | 4,877,952            | 5,028,561            | 150,609           | 3.1%     |
| Other postemployment benefits payable    | 1,141,596            | 1,145,281            | 3,685             | 0.3%     |
| Total                                    | <u>\$ 12,164,606</u> | <u>\$ 12,488,947</u> | <u>\$ 324,341</u> | 2.7%     |

As of the close of fiscal year 2024, the Town has a \$5,766,722 liability for long-term bonds/notes that reduces overall net position. Total bonds/notes increased by \$177,917, which represents regularly scheduled payments on bonds/notes payable and new debt.

This does not mean that the Town has this entire payment requirement for next year; rather, \$638,902 of these obligations are due to be paid during the fiscal year ending June 30, 2024 (as shown on Note 13).

***FUTURE BUDGETARY IMPLICATIONS***

2024 Town Meeting approved the fiscal year operating budget from July 1, 2024 - June 30, 2024. This budget is an 8.7% increase in appropriations over FY2024, not including Sewer, capital deposits or capital expenditures.

***MANAGEMENT CONTACT***

This financial report is designed to provide a general overview of the Town's finances for those with an interest in that subject. Questions concerning any of the information provided in this report, or requests for additional financial information, should be directed to: Town Administrator, Town of New London, 375 Main Street, New London, NH 03257 (phone: 603-526-1240/fax: 603-526-9494/e-mail: [townadmin@newlondon.nh.gov](mailto:townadmin@newlondon.nh.gov)).

***BASIC FINANCIAL STATEMENTS***

**EXHIBIT A**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Statement of Net Position**  
**June 30, 2024**

|   | Governmental<br>Activities |
|---|----------------------------|
| <b>ASSETS</b>                                   |                            |
| Cash and cash equivalents                       | \$ 12,414,925              |
| Investments                                     | 1,472,464                  |
| Taxes receivables (net)                         | 6,547,999                  |
| Account receivables                             | 93,359                     |
| Accrued interest                                | 10,717                     |
| Intergovernmental receivable                    | 1,365,181                  |
| Capital assets, not being depreciated           | 5,314,220                  |
| Capital assets, net of accumulated depreciation | 8,063,127                  |
| Total assets                                    | 35,281,992                 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                            |
|   | 1,313,202                  |
| <b>LIABILITIES</b>                              |                            |
| Accounts payable                                | 228,516                    |
| Accrued interest payable                        | 86,669                     |
| Intergovernmental payable                       | 8,202,270                  |
| Other payable                                   | 128                        |
| Long-term liabilities:                          |                            |
| Due within one year                             | 680,133                    |
| Due in more than one year                       | 11,808,814                 |
| Total liabilities                               | 21,006,530                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                            |
|   | 3,542,531                  |
| <b>NET POSITION</b>                             |                            |
| Net investment in capital assets                | 7,610,625                  |
| Restricted                                      | 2,428,206                  |
| Unrestricted                                    | 2,007,302                  |
| Total net position                              | \$ 12,046,133              |

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT B**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2024**

|                               | Expenses            | Program Revenues           |  | Net (Expense)<br>Revenue and<br>Change In<br>Net Position |
|-------------------------------|---------------------|----------------------------|--|---|
|                               |                     | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions |   |
| General government            | \$ 3,083,363        | \$ -                       | \$ -                                     | \$ (3,083,363)  |
| Public safety                 | 2,270,682           | 204,185                    | 399,245                                  | (1,667,252)   |
| Highways and streets          | 1,789,216           | -                          | 216,070                                  | (1,573,146)   |
| Sanitation                    | 1,181,880           | 723,102                    | 40,131                                   | (418,647)   |
| Health                        | 255,640             | -                          | -  | (255,640)   |
| Welfare                       | 59,128              | -                          | -  | (59,128)  |
| Culture and recreation        | 1,047,421           | 12,596                     | -  | (1,034,825)   |
| Conservation                  | 71,982              | -                          | -  | (71,982)  |
| Interest on long-term debt    | 167,758             | -                          | -  | (167,758)   |
| Total governmental activities | <u>\$ 9,927,070</u> | <u>\$ 939,883</u>          | <u>\$ 655,446</u>                        | <u>(8,331,741)</u>  |

General revenues and contributions:

|  |                      |
|--|----------------------|
| Taxes:   |                      |
| Property   | 6,095,365            |
| Other  | 72,716               |
| Motor vehicle permit fees                                    | 1,280,229            |
| Licenses and other fees                                      | 108,931              |
| Grants and contributions not restricted to specific programs | 526,204              |
| Unrestricted investment earnings                             | 271,478              |
| Miscellaneous  | 457,301              |
| Change in fair value of investments                          | 132,071              |
| Total general revenues                                       | <u>8,944,295</u>     |
| Change in net position                                       | 612,554              |
| Net position, beginning                                      | 11,433,579           |
| Net position, ending   | <u>\$ 12,046,133</u> |

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT C-1**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2024**

|  | General              | Permanent           | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|---------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>  |                      |                     |                                |                                |
| Cash and cash equivalents  | \$ 10,423,242        | \$ 1,521,349        | \$ 470,334                     | \$ 12,414,925                  |
| Investments  | 772,087              | 601,780             | 2,915                          | 1,376,782                      |
| Taxes receivable   | 6,587,999            | -                   | -                              | 6,587,999                      |
| Accounts receivable  | -                    | -                   | 93,359                         | 93,359                         |
| Accrued interest   | 10                   | 10,707              | -                              | 10,717                         |
| Intergovernmental receivable   | 374,496              | -                   | -                              | 374,496                        |
| Interfund receivable   | 253,490              | -                   | -                              | 253,490                        |
| Restricted assets:   |                      |                     |                                |                                |
| Investments  | 95,682               | -                   | -                              | 95,682                         |
| <b>Total assets</b>  | <b>\$ 18,507,006</b> | <b>\$ 2,133,836</b> | <b>\$ 566,608</b>              | <b>\$ 21,207,450</b>           |
| <b>LIABILITIES</b>   |                      |                     |                                |                                |
| Accounts payable   | \$ 137,408           | \$ -                | \$ 91,108                      | \$ 228,516                     |
| Intergovernmental payable  | 8,202,270            | -                   | -                              | 8,202,270                      |
| Interfund payable  | -                    | -                   | 253,490                        | 253,490                        |
| Other payable  | 128                  | -                   | -                              | 128                            |
| <b>Total liabilities</b>   | <b>8,339,806</b>     | <b>-</b>            | <b>344,598</b>                 | <b>8,684,404</b>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   | <b>3,319,190</b>     | <b>-</b>            | <b>89,164</b>                  | <b>3,408,354</b>               |
| <b>FUND BALANCES</b>   |                      |                     |                                |                                |
| Nonspendable   | 95,682               | 1,976,047           | -                              | 2,071,729                      |
| Restricted   | 177,771              | 157,789             | 20,917                         | 356,477                        |
| Committed  | 4,026,099            | -                   | 111,929                        | 4,138,028                      |
| Assigned   | 34,520               | -                   | -                              | 34,520                         |
| Unassigned   | 2,513,938            | -                   | -                              | 2,513,938                      |
| <b>Total fund balances</b>   | <b>6,848,010</b>     | <b>2,133,836</b>    | <b>132,846</b>                 | <b>9,114,692</b>               |
| <b>Total liabilities, deferred inflows<br/>of resources, and fund balances</b> | <b>\$ 18,507,006</b> | <b>\$ 2,133,836</b> | <b>\$ 566,608</b>              | <b>\$ 21,207,450</b>           |

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT C-2**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position**  
**June 30, 2024**

|   |                    |                      |
|---|--------------------|----------------------|
| Total fund balances of governmental funds (Exhibit C-1)   |                    | \$ 9,114,692         |
| Amounts reported for governmental activities in the Statement of Net Position are different because:  |                    |                      |
| Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.  |                    |                      |
| Cost  | \$ 23,120,009      |                      |
| Less accumulated depreciation   | <u>(9,742,662)</u> | 13,377,347           |
| Pension and other postemployment benefit (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows: |                    |                      |
| Deferred outflows of resources related to pensions  | \$ 1,222,359       |                      |
| Deferred inflows of resources related to pensions   | (52,999)           |                      |
| Deferred outflows of resources related to OPEB  | 90,843             |                      |
| Deferred inflows of resources related to OPEB   | <u>(92,569)</u>    | 1,167,634            |
| Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.  |                    |                      |
| Receivables   | \$ (253,490)       |                      |
| Payables  | <u>253,490</u>     | -                    |
| Other long-term assets are not available to pay for current period expenditures, and therefore, are reported as deferred inflows of resources in the governmental funds.  |                    |                      |
|   |                    | 990,685              |
| Interest on long-term debt is not accrued in governmental funds.  |                    |                      |
| Accrued interest payable  |                    | (86,669)             |
| Property taxes are recognized on an accrual basis in the Statement of Net Position and on a modified accrual basis in the governmental funds.   |                    |                      |
| Deferred inflows of resources - property taxes  | \$ 11,391          |                      |
| Allowance for uncollectible property taxes  | <u>(40,000)</u>    | (28,609)             |
| Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.   |                    |                      |
| Bond  | \$ 1,280,000       |                      |
| Notes   | 4,208,418          |                      |
| Unamortized bond premium  | 278,304            |                      |
| Compensated absences  | 293,383            |                      |
| Accrued landfill postclosure care costs   | 255,000            |                      |
| Net pension   | 5,028,561          |                      |
| Other postemployment benefits liability:  |                    |                      |
| NHRS  | 270,439            |                      |
| Single employer   | <u>874,842</u>     | (12,488,947)         |
| Net position of governmental activities (Exhibit A)   |                    | <u>\$ 12,046,133</u> |

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT C-3**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2024**

|  | General             | Permanent           | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|---------------------|--------------------------------|--------------------------------|
| <b>REVENUES</b>  |                     |                     |                                |                                |
| Taxes  | \$ 6,164,134        | \$ -                | \$ -                           | \$ 6,164,134                   |
| Licenses and permits   | 1,389,160           | -                   | -                              | 1,389,160                      |
| Intergovernmental  | 1,167,667           | -                   | 66,280                         | 1,233,947                      |
| Charges for services   | 181,112             | -                   | 758,110                        | 939,222                        |
| Miscellaneous  | 644,929             | 76,038              | 7,428                          | 728,395                        |
| Change in fair value of investments                          | 54,009              | 78,062              | -                              | 132,071                        |
| Total revenues   | <u>9,601,011</u>    | <u>154,100</u>      | <u>831,818</u>                 | <u>10,586,929</u>              |
| <b>EXPENDITURES</b>  |                     |                     |                                |                                |
| Current:   |                     |                     |                                |                                |
| General government   | 1,803,916           | -                   | 49,903                         | 1,853,819                      |
| Public safety  | 2,640,894           | -                   | 13,620                         | 2,654,514                      |
| Highways and streets   | 1,646,677           | -                   | -                              | 1,646,677                      |
| Sanitation   | 459,738             | -                   | 675,612                        | 1,135,350                      |
| Health   | 255,640             | -                   | -                              | 255,640                        |
| Welfare  | 59,128              | -                   | -                              | 59,128                         |
| Culture and recreation                                       | 909,279             | 29,337              | 8,371                          | 946,987                        |
| Conservation   | 66,287              | -                   | 5,695                          | 71,982                         |
| Debt service:  |                     |                     |                                |                                |
| Principal  | 455,420             | -                   | 133,755                        | 589,175                        |
| Interest   | 126,433             | -                   | 40,567                         | 167,000                        |
| Capital outlay   | 1,064,084           | -                   | 645,475                        | 1,709,559                      |
| Total expenditures   | <u>9,487,496</u>    | <u>29,337</u>       | <u>1,572,998</u>               | <u>11,089,831</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>113,515</u>      | <u>124,763</u>      | <u>(741,180)</u>               | <u>(502,902)</u>               |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                                |                                |
| Transfers in   | 28,660              | -                   | -                              | 28,660                         |
| Transfers out  | -                   | -                   | (28,660)                       | (28,660)                       |
| Note proceeds  | -                   | -                   | 786,000                        | 786,000                        |
| Total other financing sources (uses)                         | <u>28,660</u>       | <u>-</u>            | <u>757,340</u>                 | <u>786,000</u>                 |
| Net change in fund balances                                  | 142,175             | 124,763             | 16,160                         | 283,098                        |
| Fund balances, beginning, as restated (see Note 21)          | 6,705,835           | 2,009,073           | 116,686                        | 8,831,594                      |
| Fund balances, ending  | <u>\$ 6,848,010</u> | <u>\$ 2,133,836</u> | <u>\$ 132,846</u>              | <u>\$ 9,114,692</u>            |

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT C-4**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2024**

|   |                  |                   |
|---|------------------|-------------------|
| Net change in fund balances of governmental funds (Exhibit C-3)   |                  | \$ 283,098        |
| Amounts reported for governmental activities in the Statement of Activities are different because:  |                  |                   |
| Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:   |                  |                   |
| Capitalized capital outlay  | \$ 1,349,992     |                   |
| Depreciation expense  | <u>(619,669)</u> | 730,323           |
| Transfers in and out between governmental funds are eliminated on the Statement of Activities.  |                  |                   |
| Transfers in  | \$ (28,660)      |                   |
| Transfers out   | <u>28,660</u>    | -                 |
| Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.  |                  |                   |
| Change in deferred tax revenue  |                  | 4,992             |
| The receipt of long-term state aid provides current financial resources to governmental funds, but has no effect on net position.   |                  |                   |
| Decrease in intergovernmental receivable  |                  | (55,103)          |
| Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. |                  |                   |
| Proceeds of debt  | \$ (715,700)     |                   |
| Bond premium on new issuance  | (70,300)         |                   |
| Repayment of bond/note principal  | 589,173          |                   |
| Amortization of bond premium  | <u>18,910</u>    | (177,917)         |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.   |                  |                   |
| Decrease in accrued interest expense  | \$ 2,048         |                   |
| Increase in compensated absences payable  | (4,130)          |                   |
| Decrease in accrued landfill postclosure care costs   | 12,000           |                   |
| Net change in net pension liability, and deferred outflows and inflows of resources related to pensions   | (160,861)        |                   |
| Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits   | <u>(21,896)</u>  | (172,839)         |
| Changes in net position of governmental activities (Exhibit B)  |                  | <u>\$ 612,554</u> |

**EXHIBIT D**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2024**

|   | Budgeted Amounts    |                     | Actual              | Variance               |
|---|---------------------|---------------------|---------------------|------------------------|
|   | Original            | Final               |                     | Positive<br>(Negative) |
| <b>REVENUES</b>   |                     |                     |                     |                        |
| Taxes   | \$ 6,108,618        | \$ 6,108,618        | \$ 6,169,126        | \$ 60,508              |
| Licenses and permits  | 1,245,450           | 1,245,450           | 1,389,160           | 143,710                |
| Intergovernmental   | 576,683             | 768,422             | 1,167,667           | 399,245                |
| Charges for services  | 203,201             | 203,201             | 181,112             | (22,089)               |
| Miscellaneous   | 200,433             | 200,433             | 364,345             | 163,912                |
| Total revenues  | <u>8,334,385</u>    | <u>8,526,124</u>    | <u>9,271,410</u>    | <u>745,286</u>         |
| <b>EXPENDITURES</b>   |                     |                     |                     |                        |
| Current:  |                     |                     |                     |                        |
| General government  | 1,856,223           | 1,856,223           | 1,796,166           | 60,057                 |
| Public safety   | 2,690,377           | 2,690,377           | 2,641,742           | 48,635                 |
| Highways and streets  | 1,670,768           | 1,751,478           | 1,632,864           | 118,614                |
| Sanitation  | 508,833             | 508,833             | 461,730             | 47,103                 |
| Health  | 256,113             | 256,113             | 255,640             | 473                    |
| Welfare   | 27,474              | 27,474              | 59,128              | (31,654)               |
| Culture and recreation  | 241,231             | 241,231             | 213,110             | 28,121                 |
| Conservation  | 70,480              | 70,480              | 66,287              | 4,193                  |
| Debt service:   |                     |                     |                     |                        |
| Principal   | 525,077             | 525,077             | 455,420             | 69,657                 |
| Interest  | 122,274             | 122,274             | 126,433             | (4,159)                |
| Capital outlay  | 914,332             | 1,025,361           | 1,064,084           | (38,723)               |
| Total expenditures  | <u>8,883,182</u>    | <u>9,074,921</u>    | <u>8,772,604</u>    | <u>302,317</u>         |
| Excess (deficiency) of revenues<br>over (under) expenditures  | <u>(548,797)</u>    | <u>(548,797)</u>    | <u>498,806</u>      | <u>1,047,603</u>       |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                     |                     |                     |                        |
| Transfers in  | 1,043,635           | 1,043,635           | 616,586             | (427,049)              |
| Transfers out   | (1,106,838)         | (1,106,838)         | (1,106,838)         | -                      |
| Total other financing sources (uses)                          | <u>(63,203)</u>     | <u>(63,203)</u>     | <u>(490,252)</u>    | <u>(427,049)</u>       |
| Net change in fund balances                                   | <u>\$ (612,000)</u> | <u>\$ (612,000)</u> | 8,554               | <u>\$ 620,554</u>      |
| Decrease in restricted fund balance                           |                     |                     | 14,707              |                        |
| Decrease in committed fund balance                            |                     |                     | 12,000              |                        |
| Unassigned fund balance, beginning, as restated (see Note 21) |                     |                     | <u>2,450,068</u>    |                        |
| Unassigned fund balance, ending                               |                     |                     | <u>\$ 2,485,329</u> |                        |

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT E-1**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2024**

|                               | Private<br>Purpose<br>Trust | All<br>Custodial<br>Funds |
|-------------------------------|-----------------------------|---------------------------|
| <b>ASSETS</b>                 |                             |                           |
| Cash and cash equivalents     | \$ 115,308                  | \$ 2,140,519              |
| Investments                   | -                           | 920                       |
| Intergovernmental receivables | -                           | 8,198,881                 |
| Total assets                  | -                           | 10,340,320                |
| <b>LIABILITIES</b>            |                             |                           |
| Intergovernmental payables:   |                             |                           |
| School                        | -                           | 6,172,738                 |
| County                        | -                           | 1,786,015                 |
| Precinct/District(s)          | -                           | 240,128                   |
| Total liabilities             | -                           | 8,198,881                 |
| <b>NET POSITION</b>           |                             |                           |
| Restricted                    | \$ 115,308                  | \$ 2,141,439              |

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT E-2**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2024**

|   | Private<br>Purpose<br>Trust | All<br>Custodial<br>Funds |
|---|-----------------------------|---------------------------|
| <b>ADDITIONS</b>                              |                             |                           |
| Contributions                                 | \$ 500                      | \$ 112,000                |
| Investment earnings                           | 5,794                       | 94,801                    |
| Change in fair value of investments           | -                           | 16,732                    |
| Taxes collected for other governments         | -                           | 16,358,116                |
| Fees collected for the State of New Hampshire | -                           | 342,455                   |
| Total additions                               | <u>6,294</u>                | <u>16,924,104</u>         |
| <b>DEDUCTIONS</b>                             |                             |                           |
| Benefits paid                                 | 7,900                       | -                         |
| Payments of taxes to other governments        | -                           | 16,558,116                |
| Payments of motor vehicle fees to State       | -                           | 342,455                   |
| Total deductions                              | <u>7,900</u>                | <u>16,900,571</u>         |
| Change in fiduciary net position              | (1,606)                     | 23,533                    |
| Net position, beginning                       | 116,914                     | 2,117,906                 |
| Net position, ending                          | <u>\$ 115,308</u>           | <u>\$ 2,141,439</u>       |

The Notes to the Basic Financial Statements are an integral part of this statement.

**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2024**

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**DETAILED NOTES ON ALL FUNDS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of New London, New Hampshire (the Town), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units (hereafter referred to as generally accepted accounting principles (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The Town of New London’s significant accounting policies are described below.

***1-A Reporting Entity***

The Town of New London is a municipal corporation governed by an elected three-member Board of Selectmen. In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, (as amended). The Town has no component units to include in its reporting entity.

***1-B Government-wide and Fund Financial Statements***

The Government-wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. These statements present summaries of governmental for the Town accompanied by a total column. Governmental activities normally are supported through property taxes and intergovernmental revenues.

The *Statement of Net Position* presents the financial position of the Town at year-end. This Statement includes all of the Town’s non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, with the difference being reported as net position.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) operating grants and contributions. Property taxes and other items not meeting the definition of program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenue rather than program revenue.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds and are presented in the other governmental column of the fund financial statements.

The effect of interfund activity has been eliminated from the government-wide financial statements.

***1-C Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

***Government-wide Financial Statements*** – The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

***Governmental Fund Financial Statements*** – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses, and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to long-term liabilities including compensated absences and claims and judgments, are recorded only when payment is mature and due.

**Financial Statement Presentation** – A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to report financial position and the results of operations, to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain government functions or activities.

The Town reports the following major governmental funds:

**General Fund** – is the Town’s primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include property taxes, State grants and motor vehicle permit fees. The primary expenditures are for general government, public safety, highways and streets, sanitation, culture and recreation, debt service and capital outlay. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* guidance, the library and expendable trust funds are consolidated in the general fund.

**Permanent Funds** – are held in the custody of the Trustees of Trust Funds and are used to record activity of legal trusts for which the interest on the corpus provides funds for the permanent funds purposes including the Town’s cemetery operations.

Additionally, the Town reports the following fund types:

**Special Revenue Funds** – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Capital Projects Funds** – are used to account for the financial resources and activities relating to specific construction projects.

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements. The Town reports six nonmajor governmental funds.

**Fiduciary Fund Financial Statements** – Include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s fiduciary funds are private purpose trust and custodial funds, which are custodial in nature and do not involve measurement of results of operations. These funds are accounted for on a spending, or “economic resources” measurement focus and the accrual basis of accounting.

The Town reports the following fiduciary funds:

**Private Purpose Trust Fund** – are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.

**Custodial Fund** – are custodial in nature and do not involve the measurement of operating results. A custodial fund is used to account for assets held on behalf of outside parties, including other governments.

### ***1-D Cash and Cash Equivalents***

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts.

New Hampshire statutes require that the Town treasurer have custody of all money belonging to the Town and pay out the same only upon orders of the Board of Selectmen. The treasurer shall deposit all such monies in participation units in the public deposit investment pool established pursuant to NH RSA 383:22 or in solvent banks in the State. Funds may be deposited in banks outside the State if such banks pledge and deliver to a third-party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

### ***1-E Restricted Assets***

Restricted assets occur when statutory limitation is placed on the use of the assets as they are earmarked for a specific purpose and are unavailable for general use.

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***1-F Investments***

State statutes place certain limitations on the nature of deposits and investments available as follows:

New Hampshire law authorizes the Town to invest in the following type of obligations:

- Obligations of the United States government;
- The public deposit investment pool established pursuant to RSA 383:22;
- Savings bank deposits; and
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

Any person who directly or indirectly receives any such funds or monies for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the Town. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

**Fair Value Measurement of Investments** – In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for investments measured using the net asset value (NAV) as a practical expedient to estimate fair value, the Town categorizes the fair value measurements of its investments within the fair value hierarchy established by US GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

**Level 1** – Quoted prices for identical investments in active markets;

**Level 2** – Observable inputs other than those in Level 1; and

**Level 3** – Unobservable inputs.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level of the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Investments are reported at fair value. If an investment is held directly by the Town and an active market with quoted prices exists, such as for domestic equity securities, the market price of an identical security is used to report fair value and is classified as Level 1. Corporate fixed income securities and certain government securities utilize pricing that may involve estimation using similar securities or trade dates and are classified in Level 2. Fair value for shares in registered mutual funds and exchange traded funds are based on published share prices and classified in Level 1.

**Investments in Certain External Investment Pools** – In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Town held investments with the New Hampshire Public Deposit Investment Pool (NHPDIP). The NHPDIP measures all of its investments at amortized cost. There are no redemption restrictions and shares may be redeemed by the Town in accordance with the NHPDIP's information statement.

***1-G Receivables***

Receivables in the government-wide and governmental fund financial statements represent amounts due to the Town at June 30, and are recorded as revenue, which will be collected in the future and consist primarily of accounts and intergovernmental receivables.

***1-H Capital Assets***

Capital assets are reported in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund’s measurement focus. Capital assets are assets of the Town as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized as assets in the government-wide Statement of Net Position.

In the government-wide financial statements, the cost of property sold or retired, together with the related accumulated depreciation, is removed and any resulting gain or loss is included in income.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

| <b>Capital Asset Classes:</b>       | <u>Years</u> |
|-------------------------------------|--------------|
| Buildings and building improvements | 25-40        |
| Equipment, machinery, and vehicles  | 3-20         |
| Infrastructure                      | 20-50        |

***1-I Interfund Activities***

Interfund activities are reported as follows:

***Interfund Receivables and Payables*** – Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “due to/from other funds” (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

***Interfund Transfers*** – Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

***1-J Property Taxes***

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 12, 2023, and November 9, 2023, and due on July 3, 2023, October 2, 2023, January 2, 2024, and March 29, 2024, respectively. For any regular property taxes issued, the interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding.

Property tax receivables are recognized on the levy or lien date, which is the date the tax warrant is issued. Current year property tax receivables represent taxes levied but not remitted to the Town at June 30, 2024, and unpaid taxes. The succeeding year property tax receivable represent taxes certified by the Town to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. Although the succeeding year property tax receivable have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

In connection with the setting of the tax rate, Town officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for tax abatement and refunds, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any reserve for uncollectable taxes at year-end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, Kearsarge Regional School District, New London-Springfield Water Precinct, and Merrimack County, which are remitted to these entities as required by law.

The Town net assessed valuation as of April 1, 2023, utilized in the setting of the tax rate was as follows:

|  |                  |
|--|------------------|
| Total assessment valuation with utilities    | \$ 2,048,994,157 |
| Total assessment valuation without utilities | \$ 2,031,918,157 |

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The tax rates and amounts assessed for the year ended June 30, 2024, were as follows:

|                        | Per \$1,000<br>of Assessed<br>Valuation | Property<br>Taxes<br>Assessed |
|------------------------|---|-------------------------------|
| Municipal portion      | \$3.05                                  | \$ 6,250,285                  |
| School portion:        |   |                               |
| State of New Hampshire | \$1.19                                  | 2,426,936                     |
| Local                  | \$4.83                                  | 9,888,692                     |
| County portion         | \$1.74                                  | 3,563,394                     |
| Precinct portions:     |   |                               |
| New London-Springfield | \$0.74                                  | 479,094                       |
| Total                  | \$11.55                                 | \$ 22,608,401                 |

***1-K Deferred Outflows/Inflows of Resources***

*Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until that time. The Town has two items that qualify for reporting in this category. Deferred outflows related to pensions and deferred outflows related to OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

*Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. The Town has five types of items which qualify for reporting in this category. Deferred inflows of resources related to pensions and OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years. Property taxes not collected within 60-days of the fiscal year-end, subsequent period tax commitments and taxes collected in advance are all reported as deferred inflows of resource. In addition, unavailable revenues from grants and donations arises when the related eligible expenditures will not be made until the subsequent period.

***1-L Long-term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities and Statement of Net Position.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the Town utilizes the following classifications to categorize the financial transactions:

**Direct Borrowings** – financial transactions for a note or a loan where the Town negotiates certain terms with a single lender and are not offered for public sale.

**Direct Placements** – financial transactions for the sale of bonds where the Town engages with a single buyer or limited number of buyers without a public offering.

***1-M Compensated Absences***

General leave for the Town includes vacation pay. General leave is based on an employee’s length of employment and is earned ratably during the span of employment. Upon retirement or termination, employees are paid full value for any accrued general leave earned as set forth by the Town’s personnel policy.

Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable financial resources are maintained separately and represent a reconciling item between the governmental fund and government-wide presentations.

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***1-N Defined Benefit Pension Plan***

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

The schedules prepared by New Hampshire Retirement System, and audited by the plan's independent auditors, require management to make a number of estimates and assumptions related to the reported amounts. Due to the inherent nature and uncertainty of these estimates, actual results could differ, and the differences may be material.

***1-O Postemployment Benefits Other Than Pensions (OPEB)***

The Town maintains two separate other postemployment benefit plans, as follows:

***New Hampshire Retirement System Plan*** – For the purposes of measuring the total other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System OPEB Plan (the plan) and additions to/deductions from the plan's fiduciary net position has been determined on the same basis as they are reported by the New Hampshire Retirement System. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

***Single Employer Plan*** – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the Town's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

***1-P Net Position/Fund Balances***

In the Government-wide Financial Statements, net position is reported in the following categories:

**Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

**Restricted Net Position** – Results when constraints placed on net position use are either externally imposed by a third party (statutory, bond covenant, or granting agency) or are imposed by law through constitutional provisions or enabling legislation. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future period.

**Unrestricted Net Position** – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

**Fund Balance Classifications** – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make sure the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

**Nonspendable** – Amounts that cannot be spent because they are either (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

**Restricted** – Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

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**Committed** – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (Town Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – Amounts that are constrained by the Town’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Selectmen through the budgetary process.

**Unassigned** – The portion of fund balance that has not been restricted, committed, or assigned for a specific purpose.

When multiple net position/fund balance classifications are available for use, it is the Town’s policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

***1-Q Use of Estimates***

The preparation of the accompanying basic financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

***1-R Material Change in Fund Classification***

The accompanying financial statements reflect a change in classification from the prior year. Specifically, the Permanent fund which did qualify as a major fund for the current fiscal year. As such, it was reclassified from the nonmajor governmental funds.

***NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY***

***2-A Budgetary Information***

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town’s operations. At its annual meeting, the Town adopts a budget for the current year for the general fund, as well as the nonmajor sewer fund. Except as reconciled below, the budget was adopted on a basis consistent with United States generally accepted accounting principles.

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2024, \$600,000 of the beginning general fund unassigned fund balance was applied for this purpose. Additionally, \$12,000 was appropriated to fund the Town’s capital reserve funds.

***2-B Budgetary Reconciliation to GAAP Basis***

While the Town reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual is presented for each major governmental fund which had a budget.

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Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

|  |                     |
|--|---------------------|
| Revenues and other financing sources:  |                     |
| Per Exhibit D (budgetary basis)  | \$ 9,887,996        |
| Adjustments:   |                     |
| Basis differences:   |                     |
| GASB Statement No. 54:   |                     |
| To record miscellaneous income of the blended funds  | 334,593             |
| To eliminate transfers between the general fund and blended funds  | (587,926)           |
| Change in deferred tax revenue relating to 60-day revenue recognition<br>recognized as revenue on the GAAP basis, but not on the budgetary basis | <u>(4,992)</u>      |
| Per Exhibit C-3 (GAAP basis)   | <u>\$ 9,629,671</u> |
| Expenditures and other financing uses:   |                     |
| Per Exhibit D (budgetary basis)  | \$ 9,879,442        |
| Adjustments:   |                     |
| Basis differences:   |                     |
| Encumbrances, beginning  | 46,243              |
| Encumbrances, ending   | (24,520)            |
| GASB Statement No. 54:   |                     |
| To record expenditures of the blended funds during the year  | 693,169             |
| To eliminate transfers between the general fund and blended funds  | <u>(1,106,838)</u>  |
| Per Exhibit C-3 (GAAP basis)   | <u>\$ 9,487,496</u> |

**2-C Change in Accounting Principle**

During the fiscal year, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. This statement will improve the clarity and consistency of the accounting and financial reporting requirements for accounting changes and error corrections.

**DETAILED NOTES ON ALL FUNDS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The Town's deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the Town's agent in the Town's name. The FDIC currently insures the first \$250,000 of the Town's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the Town's deposits was \$14,670,752 and the bank balances totaled \$14,795,497. Petty cash totaled \$339.

Cash and cash equivalents reconciliation:

|   |                      |
|---|----------------------|
| Cash per Statement of Net Position (Exhibit A)                              | \$ 12,414,925        |
| Cash per Statement of Fiduciary Net Position - Fiduciary Fund (Exhibit E-1) | <u>2,255,827</u>     |
| Total cash and cash equivalents   | <u>\$ 14,670,752</u> |

**NOTE 4 – RESTRICTED ASSETS**

Certain Town investments are restricted for the following purposes:

|               |                  |
|---------------|------------------|
| Investments:  |                  |
| General fund: |                  |
| Library       | <u>\$ 95,682</u> |

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**NOTE 5 – INVESTMENTS**

Note 1-F describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town’s mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value and cost measurements as of June 30, 2024:

|  | Fair Value Hierarchy |                   |             | Total               |
|--|----------------------|-------------------|-------------|---------------------|
|  | Level 1              | Level 2           | Level 3     |                     |
| Investments type:                      |                      |                   |             |                     |
| Certificates of deposit                | \$ -                 | \$ 715,567        | \$ -        | \$ 715,567          |
| Equity exchange traded funds           | 9,961                | -                 | -           | 9,961               |
| Fixed income mutual funds              | 154,841              | -                 | -           | 154,841             |
| Preferred Stock                        | 28,969               | -                 | -           | 28,969              |
| U.S. Treasury bonds                    | 29,492               | -                 | -           | 29,492              |
| Total fair value of investments        | <u>\$ 223,263</u>    | <u>\$ 715,567</u> | <u>\$ -</u> | <u>\$ 938,830</u>   |
| Investments carried at amortized cost: |                      |                   |             |                     |
| NH Public Deposit Investment Pool      |                      |                   |             | 534,554             |
| Total investments                      |                      |                   |             | <u>\$ 1,473,384</u> |

**Interest Rate Risk** – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Both the Town and Trustees of Trust Funds investment policies follow the prudent person rule, which requires the preservation of principal and the amount and regularity of the income derived there from. The Town has the following remaining maturities as of June 30, 2024:

| Investments Type                             | Reported<br>Balance | Exempt from<br>Disclosure | Remaining Maturity (in Years) |                   |
|--|---------------------|---------------------------|-------------------------------|-------------------|
|  |                     |                           | Less than 1                   | 1-5               |
| Certificates of deposit                      | \$ 715,567          | \$ -                      | \$ -                          | \$ 715,567        |
| Equity exchange traded funds                 | 9,961               | 9,961                     | -                             | -                 |
| Fixed income mutual funds                    | 154,841             | 154,841                   | -                             | -                 |
| New Hampshire Public Deposit Investment Pool | 534,554             | 534,554                   | -                             | -                 |
| Preferred Stock                              | 28,969              | 28,969                    | -                             | -                 |
| U.S. Treasury bonds                          | 29,492              | -                         | 29,492                        | -                 |
| Total  | <u>\$ 1,473,384</u> | <u>\$ 728,325</u>         | <u>\$ 29,492</u>              | <u>\$ 715,567</u> |

**Credit Risk** - The Town investment policy states that assets will be invested in obligations of the United States Government, public deposit investment pool established pursuant to RSA 383:22, deposits in solvent bank incorporated under the laws of the State of New Hampshire or in certificates of deposits of bank incorporated under the laws of the State of New Hampshire or in banks recognized by the State of New Hampshire. The Trustees of Trust Funds investment policy states the asset allocation of the trust funds will be dependent on the frequency of the cash needs for each fund. The asset allocation will be limited to obligations of the United States Government and its agencies; corporate debt with a minimum of not less than 90% of the Moody's and/or Standard and Poor's single "A" rating; high quality common stocks; investment in convertible or exercisable into high quality common stock; domestic and international equity and fixed income mutual funds and exchange traded funds; money market funds; FDIC insured certificates of deposits and the public deposit investment fund.

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As of June 30, 2024, the Town's investment pool had the following credit risk structure:

| Investments Type                             | Reported<br>Balance | Exempt<br>From<br>Disclosure | Rating as of Year End<br>Aaa |
|--|---------------------|------------------------------|------------------------------|
| Certificates of deposit                      | \$ 715,567          | \$ 715,567                   | -                            |
| Equity exchange traded funds                 | 9,961               | 9,961                        | -                            |
| Fixed income mutual funds                    | 154,841             | 154,841                      | -                            |
| New Hampshire Public Deposit Investment Pool | 534,554             | 534,554                      | -                            |
| Preferred Stock                              | 28,969              | 28,969                       | -                            |
| U.S. Treasury bonds                          | 29,492              | -                            | 29,492                       |
| Total  | <u>\$ 1,473,384</u> | <u>\$ 1,443,892</u>          | <u>\$ 29,492</u>             |

**Custodial Credit Risk** – This is the risk that in the event of the failure of the counterparty (e.g., broker/dealer) to honor a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town and Trustees of Trust Funds investment policies do not directly address this risk.

**Concentration of Credit Risk** – The Town and Trustees of Trust Funds investment policies places no limit on the amount it may invest in any one issuer. No more than 5% of the Town's investment balance is invested in any one issuer.

Investment reconciliation:

|   |                     |
|---|---------------------|
| Investments per Statement of Net Position (Exhibit A)                               | \$ 1,472,464        |
| Investments per Statement of Fiduciary Net Position - Fiduciary Funds (Exhibit E-1) | 920                 |
| Total investments   | <u>\$ 1,473,384</u> |

**NOTE 6 – TAXES RECEIVABLE**

Taxes receivables represent the amount of current and prior year taxes which have not been collected as of June 30, 2024. The amount has been reduced by an allowance for an estimated uncollectible amount of \$40,000. Taxes receivable by year are as follows:

|   | As reported on:     |                     |
|---|---------------------|---------------------|
|   | Exhibit A           | Exhibit C-1         |
| Property:   |                     |                     |
| Levy of 2024                                      | \$ 6,495,507        | \$ 6,495,507        |
| Levy of 2023                                      | 69,898              | 69,898              |
| Unredeemed (under tax lien):                      |                     |                     |
| Levy of 2022                                      | 19,021              | 19,021              |
| Levy of 2021                                      | 2,323               | 2,323               |
| Land use change                                   | 1,250               | 1,250               |
| Less: allowance for estimated uncollectible taxes | <u>(40,000)</u>     | <u>-</u>            |
| Net taxes receivable                              | <u>\$ 6,547,999</u> | <u>\$ 6,587,999</u> |

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**NOTE 7 – RECEIVABLES**

Receivables at June 30, 2024, consisted of accounts (billings for police details, sewer, and other user charges) and intergovernmental amounts arising from grants. Receivables are recorded on the Town’s financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

|                   | Governmental | Governmental Funds |           |           | Fiduciary  |              |
|-------------------|--------------|--------------------|-----------|-----------|------------|--------------|
|                   | Activities   | General            | Permanent | Nonmajor  | Total      | Funds        |
| Receivables:      |              |                    |           |           |            |              |
| Interest          | \$ -         | \$ 10              | \$ 10,707 | \$ -      | \$ 10,717  | \$ -         |
| Accounts          | -            | -                  | -         | 93,359    | 93,359     | -            |
| Intergovernmental | 1,365,181    | 374,496            | -         | -         | 374,496    | 8,198,881    |
| Total receivables | \$ 1,365,181 | \$ 374,506         | \$ 10,707 | \$ 93,359 | \$ 478,572 | \$ 8,198,881 |

<sup>1</sup> Governmental Activities - intergovernmental receivable which represents in part, the State Aid for projects, see additional information in Note 17.

<sup>2</sup> Fiduciary Funds - intergovernmental receivables represent property taxes collected on behalf of the Kearsarge Regional School District, Merrimack County, and New London-Springfield Water Precinct. These amounts are collected and are part of the Town’s general fund cash at year-end. The general fund reports an offsetting intergovernmental payable for this amount at year-end, see Note 10.

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024 consisted of the following:

|  | Balance,<br>beginning | Additions  | Deletions    | Balance,<br>ending |
|--|-----------------------|------------|--------------|--------------------|
| At cost:   |                       |            |              |                    |
| Not being depreciated                                      |                       |            |              |                    |
| Land   | \$ 4,358,449          | \$ -       | \$ -         | \$ 4,358,449       |
| Construction in progress                                   | 1,089,281             | 9,772      | (143,282)    | 955,771            |
| Total capital assets not being depreciated                 | 5,447,730             | 9,772      | (143,282)    | 5,314,220          |
| Being depreciated:   |                       |            |              |                    |
| Buildings and building improvements                        | 6,750,749             | 720,060    | -            | 7,470,809          |
| Equipment, machinery, and vehicles                         | 6,778,135             | 746,142    | (591,108)    | 6,933,169          |
| Infrastructure   | 3,384,511             | 17,300     | -            | 3,401,811          |
| Total capital assets being depreciated                     | 16,913,395            | 1,483,502  | (591,108)    | 17,805,789         |
| Total all capital assets                                   | 22,361,125            | 1,493,274  | (734,390)    | 23,120,009         |
| Less accumulated depreciation                              |                       |            |              |                    |
| Buildings and building improvements                        | (3,663,638)           | (158,013)  | -            | (3,821,651)        |
| Equipment, machinery, and vehicles                         | (5,146,874)           | (366,357)  | 591,108      | (4,922,123)        |
| Infrastructure   | (903,589)             | (95,299)   | -            | (998,888)          |
| Total accumulated depreciation                             | (9,714,101)           | (619,669)  | 591,108      | (9,742,662)        |
| Net book value, capital assets being depreciated           | 7,199,294             | 863,833    | -            | 8,063,127          |
| Net book value, all governmental activities capital assets | \$ 12,647,024         | \$ 873,605 | \$ (143,282) | \$ 13,377,347      |

Depreciation expense was charged to functions of the Town based on their usage of the related assets. The amounts allocated to each function are as follows:

| <b>Governmental activities:</b> |            |
|---------------------------------|------------|
| General government              | \$ 99,128  |
| Public safety                   | 121,016    |
| Highways and streets            | 254,873    |
| Sanitation                      | 50,493     |
| Culture and recreation          | 94,159     |
| Total depreciation expense      | \$ 619,669 |

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**NOTE 9 – INTERFUND BALANCES AND TRANSFERS**

Interfund receivable and payable balances consisting of at June 30, 2024 are as follows:

|               |             |
|---------------|-------------|
|               | Receivable: |
|               | General     |
|               | Fund        |
| Payable:      |             |
| Nonmajor fund | \$ 253,490  |

Interfund transfers during the year ended June 30, 2024 are as follows:

|                |               |
|----------------|---------------|
|                | Transfers In: |
|                | General       |
|                | Fund          |
| Transfers out: |               |
| Nonmajor fund  | \$ 28,660     |

**NOTE 10 – INTERGOVERNMENTAL PAYABLES**

|  | Governmental<br>Funds | Fiduciary<br>Funds |
|--|-----------------------|--------------------|
|  | General               | Funds              |
| Fees due to the State of New Hampshire               | \$ 3,389              | \$ -               |
| Property taxes due to Custodial Fund                 | 8,198,881             | -                  |
| Balance due to Kearsarge Regional School District    | -                     | 6,172,738          |
| Balance due to Merrimack County                      | -                     | 1,786,015          |
| Balance due to New London-Springfield Water Precinct | -                     | 240,128            |
| Total intergovernmental payables due                 | \$ 8,202,270          | \$ 8,198,881       |

**NOTE 11 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Deferred outflows of resources at June 30, 2024 consist of the following:

|  | Governmental<br>Activities |
|--|----------------------------|
| Amounts related to pensions, see Note 14 | \$ 1,222,359               |
| Amounts related to OPEB:                 |                            |
| NHRS, see Note 16-A                      | 32,207                     |
| Single Employer, see Note 16-B           | 58,636                     |
| Total deferred inflows of resources      | \$ 1,313,202               |

Deferred inflows of resources at June 30, 2024 consist of the following:

|  | Governmental<br>Activities | General<br>Fund | Nonmajor<br>Governmental<br>Funds | Total        |
|--|----------------------------|-----------------|-----------------------------------|--------------|
| Deferred property taxes not collected within 60 days of fiscal year-end        | \$ -                       | \$ 11,391       | \$ -                              | \$ 11,391    |
| Property tax revenue committed, but not due until subsequent period            | 3,131,970                  | 3,131,970       | -                                 | 3,131,970    |
| State aid grant received in advance of expenditures being made                 | 61,357                     | 61,357          | -                                 | 61,357       |
| Federal grant revenue collected in advance of eligible expenditures being made | 201,254                    | 112,090         | 89,164                            | 201,254      |
| Donation revenue collected in advance of eligible expenditures being made      | 2,382                      | 2,382           | -                                 | 2,382        |
| Amounts related to pensions, see Note 14                                       | 52,999                     | -               | -                                 | -            |
| Amounts related to OPEB, see Note 16   | 92,569                     | -               | -                                 | -            |
| Total deferred inflows of resources  | \$ 3,542,531               | \$ 3,319,190    | \$ 89,164                         | \$ 3,408,354 |

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**NOTE 12 – SHORT-TERM DEBT**

Changes in the Town’s short-term capital borrowings during the year ended June 30, 2024 consisted of the following:

| Governmental Activities | Original<br>Issue | Interest<br>Rate | Balance<br>July 1, 2023 | Additions  | Deletions    | Balance<br>June 30, 2024 |
|-------------------------|-------------------|------------------|-------------------------|------------|--------------|--------------------------|
| Bond anticipation Note  | \$ 776,000        | 5.5%             | \$ -                    | \$ 776,000 | \$ (776,000) | \$ -                     |

The purpose of all of the short-time borrowings was to provide resources for various capital construction or improvement projects. The form of financing used in all cases was bond anticipation notes. The amounts issued for governmental activities are accounted for in the capital projects fund. Interest paid on the note during the year totaled \$8,302.

**NOTE 13 – LONG-TERM LIABILITIES**

Changes in the Town’s long-term liabilities consisted of the following for the year ended June 30, 2024:

|   | Balance<br>July 1, 2023 | Additions  | Reductions   | Balance<br>June 30, 2024 | Due Within<br>One Year | Due In More<br>Than One Year |
|---|-------------------------|------------|--------------|--------------------------|------------------------|------------------------------|
| Bond payable - direct placement         | \$ 1,390,000            | \$ -       | \$ (110,000) | \$ 1,280,000             | \$ 110,000             | \$ 1,170,000                 |
| Notes/loans payable - direct borrowings | 3,971,891               | 715,700    | (479,173)    | 4,208,418                | 528,902                | 3,679,516                    |
| Premium                                 | 226,914                 | 70,300     | (18,910)     | 278,304                  | 22,425                 | 255,879                      |
| Total bonds and notes/loans payable     | 5,588,805               | 786,000    | (608,083)    | 5,766,722                | 661,327                | 5,105,395                    |
| Compensated absences                    | 289,253                 | 19,736     | (15,606)     | 293,383                  | 10,306                 | 283,077                      |
| Accrued landfill postclosure care costs | 267,000                 | -          | (12,000)     | 255,000                  | 8,500                  | 246,500                      |
| Net pension liability                   | 4,877,952               | 150,609    | -            | 5,028,561                | -                      | 5,028,561                    |
| Net other postemployment benefits:      |                         |            |              |                          |                        |                              |
| NHRS                                    | 286,128                 | -          | (15,689)     | 270,439                  | -                      | 270,439                      |
| Single Employer                         | 855,468                 | 19,374     | -            | 874,842                  | -                      | 874,842                      |
| Total long-term liabilities             | \$ 12,164,606           | \$ 975,719 | \$ (651,378) | \$ 12,488,947            | \$ 680,133             | \$ 11,808,814                |

Long-term bond and notes/loans are comprised of the following:

|  | Original<br>Amount | Issue<br>Date | Maturity<br>Date | Interest<br>Rate % | Outstanding at<br>June 30, 2024 | Current<br>Portion |
|--|--------------------|---------------|------------------|--------------------|---------------------------------|--------------------|
| Bond payable - direct placement:             |                    |               |                  |                    |                                 |                    |
| 2021 Bond refundings                         | \$ 1,622,000       | 2021          | 2035             | 1.42%              | \$ 1,280,000                    | \$ 110,000         |
| Notes/loans payable - direct borrowings:     |                    |               |                  |                    |                                 |                    |
| Town building improvements                   | \$ 877,940         | 2005          | 2025             | 3.72%              | 43,897                          | 43,897             |
| Library repairs                              | \$ 370,000         | 2011          | 2027             | 2.60%              | 73,998                          | 24,666             |
| Water Pollution Control State Revolving Loan | \$ 5,430,518       | 2016          | 2035             | 2.55%              | 2,525,654                       | 205,111            |
| Academy building                             | \$ 350,000         | 2016          | 2025             | 1.95%              | 35,000                          | 35,000             |
| Multi-purpose                                | \$ 460,000         | 2016          | 2027             | 1.90%              | 138,000                         | 46,000             |
| Library sprinkler system                     | \$ 250,000         | 2021          | 2032             | 2.30%              | 192,395                         | 23,777             |
| Fire pumper truck                            | \$ 589,500         | 2022          | 2027             | 3.69%              | 483,774                         | 114,451            |
| Town Hall Buiding Project                    | \$ 715,700         | 2024          | 2044             | 3.39%              | 715,700                         | 36,000             |
|  |                    |               |                  |                    | 4,208,418                       | 528,902            |
| Total  |                    |               |                  |                    | \$ 5,488,418                    | \$ 638,902         |

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The annual requirements to amortize all general obligation bond and notes/loans outstanding as of June 30, 2024, including interest payments, are as follows:

| Fiscal Year Ending<br>June 30, | Bond - Direct Placement |            |              | Notes/Loans - Direct Borrowings |            |              |
|--------------------------------|-------------------------|------------|--------------|---------------------------------|------------|--------------|
|                                | Principal               | Interest   | Total        | Principal                       | Interest   | Total        |
| 2025                           | \$ 110,000              | \$ 52,380  | \$ 162,380   | \$ 528,902                      | \$ 117,283 | \$ 646,185   |
| 2026                           | 110,000                 | 46,770     | 156,770      | 459,369                         | 103,934    | 563,303      |
| 2027                           | 110,000                 | 41,160     | 151,160      | 468,991                         | 90,635     | 559,626      |
| 2028                           | 120,000                 | 35,550     | 155,550      | 408,226                         | 78,147     | 486,373      |
| 2029                           | 120,000                 | 29,430     | 149,430      | 286,107                         | 66,128     | 352,235      |
| 2030-2034                      | 600,000                 | 69,750     | 669,750      | 1,445,347                       | 218,097    | 1,663,444    |
| 2035-2039                      | 110,000                 | 2,310      | 112,310      | 434,276                         | 66,074     | 500,350      |
| 2040-2044                      | -                       | -          | -            | 177,200                         | 21,771     | 198,971      |
| Totals                         | \$ 1,280,000            | \$ 277,350 | \$ 1,557,350 | \$ 4,208,418                    | \$ 762,069 | \$ 4,970,487 |

**Accrued Landfill Postclosure Care Costs** – The Town ceased operating its landfill in prior years. Federal and State laws and regulations require that the Town place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site after closure. A liability is being recognized based on the future postclosure care costs that will be incurred. The estimated liability for landfill postclosure care costs has a balance of \$255,000 as of June 30, 2024, which is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2024. However, the actual cost of postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

**Bonds/Notes Authorized and Unissued** – Bonds and notes authorized and unissued as of June 30, 2024 were as follows:

| Per<br>Town Meeting<br>Vote of | Purpose   | Unissued<br>Amount |
|--------------------------------|---|--------------------|
| March 14, 2017                 | Miscellaneous Projects  | \$ 180,291         |
| March 15, 2023                 | Repairs and Renovations to Whipple Town Hall and Buker Building | 159,300            |
| March 15, 2023                 | Pump Station Standby Generator Upgrades                         | 300,000            |
|                                |   | <u>\$ 639,591</u>  |

**NOTE 14 – DEFINED BENEFIT PENSION PLAN**

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

**Benefits Provided** – Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II.

Group I benefits are provided based on creditable service and average final salary for the highest of either three or five years, depending on when service commenced.

Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable

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service. For Group II members not vested by 1/1/12 the benefit is calculated the same way, but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

| Years of Creditable Service as of 1/1/12 | Minimum Age | Minimum Service | Benefit Multiplier |
|--|-------------|-----------------|--------------------|
| At least 8 but less than 10 years        | 46          | 21              | 2.4%               |
| At least 6 but less than 8 years         | 47          | 22              | 2.3%               |
| At least 4 but less than 6 years         | 48          | 23              | 2.2%               |
| Less than 4 years                        | 49          | 24              | 2.1%               |

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances, subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

**Contributions** – The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I members are required to contribute 7% of earnable compensation and group II members (police and fire) are required to contribute 11.55% and 11.80%, respectively. For fiscal year 2024, the Town contributed 28.68% for police, 27.75% for fire and 13.27% for other employees. The contribution requirement for the fiscal year 2024 was \$559,837 which was paid in full.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At June 30, 2024, the Town reported a liability of \$5,028,561 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2023, the Town’s proportion was 0.09% which was the same as its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of \$721,459. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Changes in proportion   | \$ 328,960                           | \$ 50,978                           |
| Changes in assumptions  | 132,349                              | -                                   |
| Net difference between projected and actual investment earnings on pension plan investments | 72,722                               | -                                   |
| Differences between expected and actual experience  | 128,491                              | 2,021                               |
| Contributions subsequent to the measurement date  | 559,837                              | -                                   |
| Total   | <u>\$ 1,222,359</u>                  | <u>\$ 52,999</u>                    |

The \$559,837 reported as deferred outflows of resources related to pensions results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ending<br>June 30, |                   |
|--------------------------------|-------------------|
| 2024                           | \$ 256,364        |
| 2025                           | (27,174)          |
| 2026                           | 351,300           |
| 2027                           | 29,033            |
| 2028                           | -                 |
| Thereafter                     | -                 |
| Totals                         | <u>\$ 609,523</u> |

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**Actuarial Assumptions** – The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2022, using the following actuarial assumptions which, accordingly, apply to 2023 measurements:

|                            |   |
|----------------------------|---|
| Inflation:                 | 2.0%  |
| Salary increases:          | 5.4% average, including inflation                                 |
| Wage inflation:            | 2.75% (2.25% for teachers)  |
| Investment rate of return: | 6.75% net of pension plan investment expense, including inflation |

Mortality rates were based on the Pub-2010 Health Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

**Long-term Rates of Return** – The long-term expected rate of return on pension plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2023:

| Asset Class                 | Target<br>Allocation | 30 Year Geometric Return |
|-----------------------------|----------------------|--------------------------|
| Broad US Equity (1)         | 30.00%               | 5.40%                    |
| Global Ex-US Equity (2)     | 20.00%               | 5.65%                    |
| Total public equity         | 50.00%               |                          |
| Real Estate Equity          | 10.00%               | 4.40%                    |
| Private Equity              | 10.00%               | 6.65%                    |
| Total private market equity | 20.00%               |                          |
| Private Debt                | 5.00%                | 5.05%                    |
| Core U.S. Fixed Income (3)  | 25.00%               | 2.15%                    |
| Total                       | 100.00%              |                          |

**Discount Rate** – The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan’s actuarial funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

**Sensitivity of the Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following table presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.75% as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

| Actuarial<br>Valuation<br>Date | 1% Decrease<br>5.75% | Current Single<br>Rate Assumption<br>6.75% | 1% Increase<br>7.75% |
|--------------------------------|----------------------|--|----------------------|
| June 30, 2023                  | \$ 6,823,148         | \$ 5,028,561                               | \$ 3,495,196         |

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan’s fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
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**NOTE 15 – SUPPLEMENTAL RETIREMENT PLAN**

All employees employed by the Town participate in a defined contribution pension plan administered by Nationwide. Participation begins after the completion of. The Town has no requirement or obligation under State Statutes to contribute to this plan, however the Town has adopted the Supplemental Retirement Plan 457. for its employees. The Board of Selectmen has the authority to establish and amend the benefit provisions and contribution requirements of the plan. The Town contributes 0% of each employee's salary and all amounts contributed are vested immediately. Also, employees may make voluntary contributions to the plan.

**NOTE 16 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**16-A New Hampshire Retirement System (NHRS)**

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2023 Comprehensive Annual Financial Report, which can be found on the system's website at [www.nhrs.org](http://www.nhrs.org).

**Benefits Provided** - Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The four membership types are Group II, Police Officers, and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age, and retirement date. Group II benefits are based on hire date, age, and creditable service. The OPEB plan is closed to new entrants.

Maximum medical subsidy rates paid during fiscal year 2024 were as follows:

For qualified retirees not eligible for Medicare, the amounts were \$375.56 for a single-person plan and \$751.12 for a two-person plan.

For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single-person plan and \$473.68 for a two-person plan.

**Contributions** – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2023, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2024, the Town contributed 2.60% for police and fire, and 0.26% for other employees. The contribution requirement for the fiscal year 2024 was \$31,882, which was paid in full.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – At June 30, 2024, the Town reported a liability of \$270,439 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The Town's proportion of the net OPEB liability was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2023, the Town's proportion was 0.08% which was the same as its proportion measured as of June 30, 2022.

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For the year ended June 30, 2024, the Town recognized OPEB expense of \$19,405. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows of<br>Resources |
|--|--------------------------------------|
| Net difference between projected and actual investment earnings on OPEB plan investments | \$ 325                               |
| Contributions subsequent to the measurement date   | 31,882                               |
| Total  | \$ 32,207                            |

The \$31,882 reported as deferred outflows of resources related to OPEB results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year Ending<br>June 30, |         |
|--------------------------------|---------|
| 2024                           | \$ (54) |
| 2025                           | (411)   |
| 2026                           | 879     |
| 2027                           | (89)    |
| Thereafter                     | -       |
| Totals                         | \$ 325  |

**Actuarial Assumptions** – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2022, and a measurement date of June 30, 2023. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

|                            |  |
|----------------------------|--|
| Price inflation:           | 2.0% per year  |
| Wage inflation:            | 2.75% (2.25% for teachers)                                     |
| Salary increases:          | 5.4% average, including inflation                              |
| Investment rate of return: | 6.75% net of OPEB plan investment expense, including inflation |

Mortality rates were based on the Pub-2010 Health Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

**Long-term Rates of Return** – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2023:

| Asset Class                 | Target<br>Allocation | 30 Year Geometric Return |
|-----------------------------|----------------------|--------------------------|
| Broad US Equity (1)         | 30.00%               | 5.40%                    |
| Global Ex-US Equity (2)     | 20.00%               | 5.65%                    |
| Total public equity         | 50.00%               |                          |
| Real Estate Equity          | 10.00%               | 4.40%                    |
| Private Equity              | 10.00%               | 6.65%                    |
| Total private market equity | 20.00%               |                          |
| Private Debt                | 5.00%                | 5.05%                    |
| Core U.S. Fixed Income (3)  | 25.00%               | 2.15%                    |
| Total                       | 100.00%              |                          |

**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
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**Discount Rate** – The discount rate used to measure the total OPEB liability as of June 30, 2023, was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

**Sensitivity of the Town’s Proportionate Share of the OPEB Liability to Changes in the Discount Rate** – The following table presents the Town’s proportionate share of the OPEB liability calculated using the discount rate of 6.75% as well as what the Town’s proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

| Actuarial<br>Valuation<br>Date | 1% Decrease<br>5.75% | Current Single<br>Rate Assumption<br>6.75% | 1% Increase<br>7.75% |
|--------------------------------|----------------------|--|----------------------|
| June 30, 2023                  | \$ 293,724           | \$ 270,439                                 | \$ 250,124           |

**OPEB Plan Fiduciary Net Position** – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit OPEB Plan financial report.

**16-B Retiree Health Benefit Program**

**Plan Description** – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time. The Town OPEB plan is not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The total OPEB liability is based on the Town offering retirees postemployment healthcare insurance governed by RSA 100-A:50. The retirees pay 100% of the premium cost to participate and are included in the same pool as the active members. The inclusion of the retirees in the same pool effects the insurance rates of the active employees as the rates for the retirees are assumed to be higher due to the age consideration, thereby creating an implicit rate subsidy.

**Funding Policy** – The Town’s funding policy for the implicit rate subsidy is a pay-as-you-go basis.

**Benefits Provided** – The Town provides postemployment healthcare benefits for certain eligible retirees. The Town provides medical benefits to its eligible retirees.

**Employees Covered by Benefit Terms** – At July 1, 2022, the following employees were covered by the benefit terms:

|  |    |
|--|----|
| Inactive employees or beneficiaries currently receiving benefit payments | 2  |
| Active employees   | 45 |
| Total participants covered by OPEB plan                                  | 47 |

**Total OPEB Liability** – The Town’s total OPEB liability of \$874,842 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022. The Town contracts with an outside actuary to complete the actuarial valuation and schedule of changes in the total OPEB liability. Detailed information can be found in the separately issued report through request of the Town business office.

**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
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**Actuarial Assumptions and Other Inputs** – The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                                |       |
|--------------------------------|-------|
| Discount Rate:                 | 3.93% |
| Healthcare Cost Trend Rates:   |       |
| Current Year Trend             | 8.00% |
| Second Year Trend              | 7.50% |
| Ultimate Trend                 | 4.10% |
| Year Ultimate Trend is Reached | 2075  |
| Salary Increases:              | 2.50% |

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of July 1, 2022.

Mortality rates were as follows:

Pre-Retirement: PubG-2010 headcount-weighted Employee General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

Post-Retirement:

*Healthy Retirees:* 101% of PubG-2010 headcount-weighted Retiree General Mortality Tables for males and 109% of PubG-2010 headcover weighted Retiree General Mortality Tables for females, projected with fully generational mortality improvement using scale MP-2019

*Surviving spouses:* PubG-2010 Contingent Survivor General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

*Disabled Retirees:* PubG-2010 Disabled General Mortality Tables, projected with fully generational mortality improvement using scale M 2019.

**Changes in the Total OPEB Liability**

|   | June 30,   |            |
|---|------------|------------|
|   | 2023       | 2024       |
| OPEB liability beginning of year  | \$ 733,992 | \$ 855,468 |
| Changes for the year:   |            |            |
| Service cost  | 31,661     | 33,480     |
| Interest  | 26,864     | 32,035     |
| Assumption changes and difference between<br>actual and expected experience | 76,527     | (23,589)   |
| Benefit payments  | (13,576)   | (22,552)   |
| OPEB liability end of year  | \$ 855,468 | \$ 874,842 |

**Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate** – The July 1, 2022, actuarial valuation was prepared using a discount rate of 3.93%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$819,872 or by 6.28%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$985,692 or by 12.67%.

|                      | Discount Rate |                |             |
|----------------------|---------------|----------------|-------------|
|                      | 1% Decrease   | Baseline 3.93% | 1% Increase |
| Total OPEB Liability | \$ 985,692    | \$ 874,842     | \$ 819,872  |

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**Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The July 1, 2022, actuarial valuation was prepared using an initial trend rate of 8.00%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$1,022,607 or by 16.89%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$792,925 or by 9.36%.

|                      | Healthcare Cost Trend Rates |                |              |
|----------------------|-----------------------------|----------------|--------------|
|                      | 1% Decrease                 | Baseline 8.00% | 1% Increase  |
| Total OPEB Liability | \$ 792,925                  | \$ 874,842     | \$ 1,022,607 |

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – For the year ended June 30, 2024, the Town recognized OPEB expense of \$56,942. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Changes in assumptions                             | \$ 21,390                            | \$ 92,569                           |
| Differences between expected and actual experience | 37,246                               | -                                   |
| Total  | \$ 58,636                            | \$ 92,569                           |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year Ending<br>June 30, |             |
|--------------------------------|-------------|
| 2025                           | \$ (8,573)  |
| 2026                           | (8,573)     |
| 2027                           | (8,573)     |
| 2028                           | (8,882)     |
| 2029                           | (813)       |
| Thereafter                     | 1,481       |
| Totals                         | \$ (33,933) |

**NOTE 17 – STATE AID TO WATER POLLUTION PROJECTS**

Under New Hampshire RSA Chapter 486, the Town receives from the State of New Hampshire a percentage of the annual amortization charges on the original costs resulting from the acquisition and construction of sewage disposal facilities.

At June 30, 2024, the Town is due to receive the following annual amounts to offset debt payments:

| Fiscal Year Ending<br>June 30, | Principal  | Interest   | Total        |
|--------------------------------|------------|------------|--------------|
| 2025                           | \$ 56,333  | \$ 22,112  | \$ 78,445    |
| 2026                           | 57,590     | 20,855     | 78,445       |
| 2027                           | 58,876     | 19,569     | 78,445       |
| 2028                           | 60,190     | 18,255     | 78,445       |
| 2029                           | 61,533     | 16,912     | 78,445       |
| 2030-2034                      | 328,892    | 63,333     | 392,225      |
| 2035-2039                      | 367,271    | 24,956     | 392,227      |
| Total                          | \$ 990,685 | \$ 185,992 | \$ 1,176,677 |

**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 18 - ENCUMBRANCES**

Encumbrances outstanding in the general fund at June 30, 2024 are as follows:

|                    |                  |
|--------------------|------------------|
| General fund:      |                  |
| Public safety      | \$ 18,020        |
| Sanitation         | <u>6,500</u>     |
| Total encumbrances | <u>\$ 24,520</u> |

**NOTE 19 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION**

Net position reported on the government-wide and fiduciary fund Statements of Net Position at June 30, 2024 include the following:

|   | Governmental<br>Activities | Fiduciary<br>Funds  |
|---|----------------------------|---------------------|
| Net investment in capital assets:                 |                            |                     |
| Net book value, all capital assets                | \$ 13,377,347              | \$ -                |
| Less:   |                            |                     |
| General obligation bonds/notes payable            | (1,280,000)                | -                   |
| Unamortized bond premiums                         | (278,304)                  | -                   |
| Notes payable                                     | <u>(4,208,418)</u>         | <u>-</u>            |
| Total net investment in capital assets            | <u>7,610,625</u>           | <u>-</u>            |
| Restricted net position:                          |                            |                     |
| Conservation commission                           | 20,917                     | -                   |
| Library   | 273,453                    | -                   |
| Permanent funds - nonexpendable                   | 1,976,047                  | -                   |
| Permanent funds - expendable                      | 157,789                    | -                   |
| Individuals, organizations, and other governments | -                          | <u>2,256,747</u>    |
| Total restricted net position                     | <u>2,428,206</u>           | <u>2,256,747</u>    |
| Unrestricted                                      | <u>2,007,302</u>           | <u>-</u>            |
| Total net position                                | <u>\$ 12,046,133</u>       | <u>\$ 2,256,747</u> |

**NOTE 20 – GOVERNMENTAL FUND BALANCES**

Governmental fund balances at June 30, 2024 consist of the following:

|  | General<br>Fund  | Permanent<br>Fund | Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|--|------------------|-------------------|-------------------|--------------------------------|
| <b>Nonspendable:</b>                       |                  |                   |                   |                                |
| Library permanent fund - principal balance | \$ 95,682        | \$ -              | \$ -              | \$ 95,682                      |
| Permanent fund - principal balance         | -                | 1,976,047         | -                 | 1,976,047                      |
| Total nonspendable fund balance            | <u>95,682</u>    | <u>1,976,047</u>  | <u>-</u>          | <u>2,071,729</u>               |
| <b>Restricted:</b>                         |                  |                   |                   |                                |
| Conservation commission                    | -                | -                 | 20,917            | 20,917                         |
| Library                                    | 177,771          | -                 | -                 | 177,771                        |
| Permanent - income balance                 | -                | 157,789           | -                 | 157,789                        |
| Total restricted fund balance              | <u>177,771</u>   | <u>157,789</u>    | <u>20,917</u>     | <u>356,477</u>                 |
| <b>Committed:</b>                          |                  |                   |                   |                                |
| Expendable trust                           | 4,026,099        | -                 | -                 | 4,026,099                      |
| Special revenue                            | -                | -                 | 111,929           | 111,929                        |
| Total committed fund balance               | <u>4,026,099</u> | <u>-</u>          | <u>111,929</u>    | <u>4,138,028</u>               |

*(continued)*

**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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*Governmental fund balances continued:*

|                                  | General<br>Fund     | Permanent<br>Fund   | Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------------|---------------------|---------------------|-------------------|--------------------------------|
| <b>Assigned:</b>                 |                     |                     |                   |                                |
| Encumbrances                     | 24,520              | -                   | -                 | 24,520                         |
| Abatement contingency            | 10,000              | -                   | -                 | 10,000                         |
| Total assigned fund balance      | <u>34,520</u>       | <u>-</u>            | <u>-</u>          | <u>34,520</u>                  |
| <b>Unassigned</b>                | <u>2,513,938</u>    | <u>-</u>            | <u>-</u>          | <u>2,513,938</u>               |
| Total governmental fund balances | <u>\$ 6,848,010</u> | <u>\$ 2,133,836</u> | <u>\$ 132,846</u> | <u>\$ 9,114,692</u>            |

**NOTE 21 – ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES**

During fiscal year 2024, changes to or within the Town’s financial statements resulted in an error correction which caused adjustments to and restatements of beginning fund balance, as follows:

|  | General<br>Fund<br>( GAAP Basis ) | General<br>Fund<br>( Budgetary Basis ) | Other<br>Governmental<br>Funds |
|--|-----------------------------------|--|--------------------------------|
| Fund balances at June 30, 2023 as previously reported  | \$ 6,697,115                      | \$ 2,441,348                           | \$ 125,406                     |
| Error corrections:   |                                   |  |                                |
| Whipple Town Hall Building projects that were recorded in<br>the general fund in the prior years | 8,720                             | 8,720                                  | (8,720)                        |
| Fund balance, as restated  | <u>\$ 6,705,835</u>               | <u>\$ 2,450,068</u>                    | <u>\$ 116,686</u>              |

**NOTE 22 – RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2024, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers’ Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers’ Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2023 to June 30 by Primex<sup>3</sup>, which retained \$2,000,000 of each workers’ compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the Town’s property schedule on file with Primex<sup>3</sup>. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers’ compensation section of the self-insurance membership agreement permits Primex<sup>3</sup> to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member’s annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2023-24 the Town paid \$52,167 and \$124,668, respectively, to Primex for workers’ compensation and property/liability. At this time, Primex<sup>3</sup> foresees no likelihood of any additional assessment for this or any prior year.

The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 23 – TAX ABATEMENTS**

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. No such agreements were identified.

**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**JUNE 30, 2024**

**NOTE 24 – CONTINGENT LIABILITIES**

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Town believes such disallowances, if any, will be immaterial.

**NOTE 25 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through January 29, 2025, the date the June 30, 2024 financial statements were available to be issued, and noted no event occurred that requires recognition or disclosure

***REQUIRED SUPPLEMENTARY INFORMATION***

**EXHIBIT F**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
*Schedule of the Town's Proportionate Share of Net Pension Liability*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended June 30, 2024*  
**Unaudited**

| Fiscal year-end  | June 30,<br>2015 | June 30,<br>2016 | June 30,<br>2017 | June 30,<br>2018 | June 30,<br>2019 | June 30,<br>2020 | June 30,<br>2021 | June 30,<br>2022 | June 30,<br>2023 | June 30,<br>2024 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Measurement date   | June 30,<br>2014 | June 30,<br>2015 | June 30,<br>2016 | June 30,<br>2017 | June 30,<br>2018 | June 30,<br>2019 | June 30,<br>2020 | June 30,<br>2021 | June 30,<br>2022 | June 30,<br>2023 |
| Town's proportion of the net pension liability   | 0.08%            | 0.08%            | 0.08%            | 0.09%            | 0.08%            | 0.08%            | 0.08%            | 0.08%            | 0.09%            | 0.09%            |
| Town's proportionate share of the net pension liability  | \$ 3,068,656     | \$ 3,196,313     | \$ 4,354,906     | \$ 4,197,345     | \$ 3,901,194     | \$ 3,917,518     | \$ 5,358,422     | \$ 3,600,858     | \$ 4,877,952     | \$ 5,028,561     |
| Town's covered payroll (as of the measurement date)  | \$ 1,964,526     | \$ 1,958,428     | \$ 2,052,846     | \$ 2,158,310     | \$ 2,223,231     | \$ 2,259,148     | \$ 2,259,148     | \$ 2,474,976     | \$ 2,581,944     | \$ 2,843,225     |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | 156.20%          | 163.21%          | 212.14%          | 194.47%          | 175.47%          | 173.41%          | 237.19%          | 145.49%          | 188.93%          | 176.86%          |
| Plan fiduciary net position as a percentage of the total pension liability                     | 59.81%           | 65.47%           | 58.30%           | 62.66%           | 64.73%           | 65.59%           | 58.72%           | 72.22%           | 65.12%           | 67.18%           |

45 The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.

**EXHIBIT G**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
*Schedule of Town Contributions - Pensions*  
**New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan**  
**For the Fiscal Year Ended June 30, 2024**  
**Unaudited**

| Fiscal year-end   | June 30,<br>2015 | June 30,<br>2016 | June 30,<br>2017 | June 30,<br>2018 | June 30,<br>2019 | June 30,<br>2020 | June 30,<br>2021 | June 30,<br>2022 | June 30,<br>2023 | June 30,<br>2024 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Measurement date  | June 30,<br>2014 | June 30,<br>2015 | June 30,<br>2016 | June 30,<br>2017 | June 30,<br>2018 | June 30,<br>2019 | June 30,<br>2020 | June 30,<br>2021 | June 30,<br>2022 | June 30,<br>2023 |
| Contractually required contribution                                   | \$ 265,225       | \$ 270,685       | \$ 293,253       | \$ 312,662       | \$ 342,430       | \$ 354,313       | \$ 378,165       | \$ 492,440       | \$ 539,393       | \$ 559,837       |
| Contributions in relation to the contractually required contributions | (265,225)        | (270,685)        | (293,253)        | (312,662)        | (342,430)        | (354,313)        | (378,165)        | (492,440)        | (539,393)        | (559,837)        |
| Contribution deficiency (excess)                                      | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             |
| Town's covered payroll<br>(as of the fiscal year-end)                 | \$ 1,964,526     | \$ 1,958,428     | \$ 2,052,846     | \$ 2,158,310     | \$ 2,223,231     | \$ 2,259,148     | \$ 2,474,976     | \$ 2,581,944     | \$ 2,843,225     | \$ 3,076,121     |
| Contributions as a percentage<br>of covered payroll                   | 13.50%           | 13.82%           | 14.29%           | 14.49%           | 15.40%           | 15.68%           | 15.28%           | 19.07%           | 18.97%           | 18.20%           |

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.

**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**PENSION LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2024**

***Schedule of the Town’s Proportionate Share of Net Pension Liability and Schedule of Town Contributions – Pensions***

***Changes in Benefit Terms*** – There were no changes in benefit terms for the current period.

***Changes in Assumptions*** – There were no changes in assumptions for the current period.

***Methods and Assumptions Used to Determine Contribution Rates*** – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at [www.nhrs.org](http://www.nhrs.org).

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits F and G represent the actuarial determined costs associated with the Town’s pension plan at June 30, 2024. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**EXHIBIT H**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
*Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefits Liability*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended June 30, 2024*  
**Unaudited**

| Fiscal year-end   | June 30,<br>2017 | June 30,<br>2018 | June 30,<br>2019 | June 30,<br>2020 | June 30,<br>2021 | June 30,<br>2022 | June 30,<br>2023 | June 30,<br>2024 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Measurement date  | June 30,<br>2016 | June 30,<br>2017 | June 30,<br>2018 | June 30,<br>2019 | June 30,<br>2020 | June 30,<br>2021 | June 30,<br>2022 | June 30,<br>2023 |
| Town's proportion of the net OPEB liability   | 0.05%            | 0.05%            | 0.07%            | 0.07%            | 0.07%            | 0.07%            | 0.08%            | 0.08%            |
| Town's proportionate share of the net OPEB liability (asset)  | \$ 222,265       | \$ 226,364       | \$ 326,143       | \$ 322,814       | \$ 307,650       | \$ 268,123       | \$ 286,128       | \$ 270,439       |
| Town's covered payroll (as of the measurement date)   | \$ 2,052,846     | \$ 2,158,310     | \$ 2,223,231     | \$ 2,259,148     | \$ 2,259,148     | \$ 2,474,976     | \$ 2,581,944     | \$ 2,843,225     |
| Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll | 10.83%           | 10.49%           | 14.67%           | 14.29%           | 13.62%           | 10.83%           | 11.08%           | 9.51%            |
| Plan fiduciary net position as a percentage of the total OPEB liability                             | 5.21%            | 7.91%            | 7.53%            | 7.75%            | 7.74%            | 11.06%           | 10.64%           | 12.80%           |

The Notes to the Required Supplementary Information – Other Postemployment Benefits Liability is an integral part of this schedule.

**EXHIBIT I**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Schedule of Town Contributions - Other Postemployment Benefits**  
**New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan**  
**For the Fiscal Year Ended June 30, 2024**  
**Unaudited**

| Fiscal year-end  | June 30,<br>2017    | June 30,<br>2018    | June 30,<br>2019    | June 30,<br>2020    | June 30,<br>2021    | June 30,<br>2022    | June 30,<br>2023    | June 30,<br>2024    |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Measurement date   | June 30,<br>2016    | June 30,<br>2017    | June 30,<br>2018    | June 30,<br>2019    | June 30,<br>2020    | June 30,<br>2021    | June 30,<br>2022    | June 30,<br>2023    |
| Contractually required contribution                                  | \$ 26,678           | \$ 29,343           | \$ 31,509           | \$ 33,603           | \$ 32,878           | \$ 31,889           | \$ 34,619           | \$ 31,882           |
| Contributions in relation to the contractually required contribution | <u>(26,678)</u>     | <u>(29,343)</u>     | <u>(31,509)</u>     | <u>(33,603)</u>     | <u>(32,878)</u>     | <u>(31,889)</u>     | <u>(34,619)</u>     | <u>(31,882)</u>     |
| Contribution deficiency (excess)                                     | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         |
| Town's covered payroll (as of the fiscal year end)                   | <u>\$ 2,052,846</u> | <u>\$ 2,158,310</u> | <u>\$ 2,223,231</u> | <u>\$ 2,259,149</u> | <u>\$ 2,474,976</u> | <u>\$ 2,581,944</u> | <u>\$ 2,843,225</u> | <u>\$ 3,076,121</u> |
| Contributions as a percentage of covered payroll                     | 1.30%               | 1.36%               | 1.42%               | 1.49%               | 1.33%               | 1.24%               | 1.22%               | 1.04%               |

The Notes to the Required Supplementary Information – Other Postemployment Benefits Liability is an integral part of this schedule.

**EXHIBIT J**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
*Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios*  
**Retiree Health Benefit Program**  
**For the Fiscal Year Ended June 30, 2024**  
**Unaudited**

|   | June 30,            |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 2021                | 2022                | 2023                | 2024                |
| OPEB liability, beginning of year   | \$ 749,196          | \$ 806,568          | \$ 733,992          | \$ 855,468          |
| Changes for the year:   |                     |                     |                     |                     |
| Service cost  | 39,196              | 40,986              | 31,661              | 33,480              |
| Interest  | 17,383              | 18,184              | 26,864              | 32,035              |
| Assumption changes and difference between actual<br>and expected experience | 4,491               | (120,312)           | 76,527              | (23,589)            |
| Benefit payments  | (3,698)             | (11,434)            | (13,576)            | (22,552)            |
| OPEB liability, end of year   | <u>\$ 806,568</u>   | <u>\$ 733,992</u>   | <u>\$ 855,468</u>   | <u>\$ 874,842</u>   |
| Covered payroll   | <u>\$ 2,292,387</u> | <u>\$ 2,565,915</u> | <u>\$ 2,746,071</u> | <u>\$ 3,076,121</u> |
| Total OPEB liability as a percentage of covered payroll                     | 35.18%              | 28.61%              | 31.15%              | 28.44%              |

The Notes to the Required Supplementary Information – Other Postemployment Benefits Liability is an integral part of this schedule.

**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**OTHER POSTEMPLOYMENT BENEFITS LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2024**

***Schedule of the Town's Proportionate Share of Net Other Postemployment Benefits Liability and Schedule of Town Contributions – Other Postemployment Benefits***

***Changes in Benefit Terms*** – There were no changes in benefit terms for the current period.

***Changes in Assumptions*** – There were no changes in assumptions for the current period.

***Methods and Assumptions Used to Determine Contribution Rates*** – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at [www.nhrs.org](http://www.nhrs.org).

As required by GASB Statement No. 75, Exhibits H and I represent the actuarial determined costs associated with the Town's other postemployment benefits at June 30, 2024. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

***Schedule of Changes in Town's Total Other Postemployment Benefits Liability and Related Ratios***

***Changes in Benefit Terms*** – There were no changes in benefit terms for the current period.

***Changes in Assumptions*** – There were no changes in assumptions for the current period.

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the Town's other postemployment benefits at June 30, 2024. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

***COMBINING AND INDIVIDUAL FUND SCHEDULES***

**SCHEDULE 1**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended June 30, 2024**

|   | Estimated            | Actual              | Variance<br>Positive<br>(Negative) |
|---|----------------------|---------------------|------------------------------------|
| <b>Taxes:</b>   |                      |                     |                                    |
| Property  | \$ 6,060,618         | \$ 6,095,365        | \$ 34,747                          |
| Land use change   | 10,000               | 45,703              | 35,703                             |
| Yield   | 3,000                | 892                 | (2,108)                            |
| Interest and penalties on taxes   | 35,000               | 27,166              | (7,834)                            |
| Total from taxes  | <u>6,108,618</u>     | <u>6,169,126</u>    | <u>60,508</u>                      |
| <b>Licenses, permits, and fees:</b>                                     |                      |                     |                                    |
| Business licenses, permits, and fees                                    | 52,300               | 31,169              | (21,131)                           |
| Motor vehicle permit fees   | 1,117,600            | 1,280,377           | 162,777                            |
| Other   | 75,550               | 77,614              | 2,064                              |
| Total from licenses, permits, and fees                                  | <u>1,245,450</u>     | <u>1,389,160</u>    | <u>143,710</u>                     |
| <b>Intergovernmental:</b>   |                      |                     |                                    |
| State:  |                      |                     |                                    |
| Meals and rooms distribution  | 415,175              | 415,175             | -                                  |
| Highway block grant   | 216,070              | 216,070             | -                                  |
| Water pollution grants  | 26,148               | 26,148              | -                                  |
| Federal:  |                      |                     |                                    |
| Other   | 111,029              | 510,274             | 399,245                            |
| Total from intergovernmental  | <u>768,422</u>       | <u>1,167,667</u>    | <u>399,245</u>                     |
| <b>Charges for services:</b>  |                      |                     |                                    |
| Income from departments   | 203,201              | 181,112             | (22,089)                           |
| <b>Miscellaneous:</b>   |                      |                     |                                    |
| Sale of municipal property  | 10,000               | 65,761              | 55,761                             |
| Interest on investments   | 23,852               | 160,272             | 136,420                            |
| Other   | 166,581              | 138,312             | (28,269)                           |
| Total from miscellaneous  | <u>200,433</u>       | <u>364,345</u>      | <u>163,912</u>                     |
| <b>Other financing sources:</b>   |                      |                     |                                    |
| Transfers in  | 1,043,635            | 616,586             | (427,049)                          |
| <b>Total revenues and other financing sources</b>                       | <u>9,569,759</u>     | <u>\$ 9,887,996</u> | <u>\$ 318,237</u>                  |
| Unassigned fund balance used to reduce tax rate                         | 600,000              |                     |                                    |
| Amounts voted from fund balance   | 12,000               |                     |                                    |
| <b>Total revenues, other financing sources, and use of fund balance</b> | <u>\$ 10,181,759</u> |                     |                                    |

**SCHEDULE 2**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended June 30, 2024**

|                                       | Encumbered<br>from Prior<br>Year | Appropriations   | Expenditures     | Encumbered<br>to Subsequent<br>Year | Variance<br>Positive<br>(Negative) |
|---------------------------------------|----------------------------------|------------------|------------------|-------------------------------------|------------------------------------|
| <b>Current:</b>                       |                                  |                  |                  |                                     |                                    |
| <b>General government:</b>            |                                  |                  |                  |                                     |                                    |
| Executive                             | \$ 7,750                         | \$ 558,956       | \$ 400,253       | \$ -                                | \$ 166,453                         |
| Election and registration             | -                                | 127,479          | 124,577          | -                                   | 2,902                              |
| Financial administration              | -                                | 424,438          | 434,460          | -                                   | (10,022)                           |
| Revaluation of property               | -                                | 92,500           | 115,695          | -                                   | (23,195)                           |
| Legal                                 | -                                | 10,500           | 29,496           | -                                   | (18,996)                           |
| Personnel administration              | -                                | 131,500          | 114,681          | -                                   | 16,819                             |
| Planning and zoning                   | -                                | 115,731          | 120,100          | -                                   | (4,369)                            |
| General government buildings          | -                                | 219,925          | 267,776          | -                                   | (47,851)                           |
| Cemeteries                            | -                                | 32,935           | 48,309           | -                                   | (15,374)                           |
| Insurance, not otherwise allocated    | -                                | 123,000          | 126,847          | -                                   | (3,847)                            |
| Advertising and regional associations | -                                | 19,259           | 21,722           | -                                   | (2,463)                            |
| Total general government              | <u>7,750</u>                     | <u>1,856,223</u> | <u>1,803,916</u> | <u>-</u>                            | <u>60,057</u>                      |
| <b>Public safety:</b>                 |                                  |                  |                  |                                     |                                    |
| Police                                | 328                              | 1,506,104        | 1,553,470        | -                                   | (47,038)                           |
| Fire                                  | 9,891                            | 629,894          | 589,615          | 10,505                              | 39,665                             |
| Emergency management                  | -                                | 16,550           | 8,260            | -                                   | 8,290                              |
| Other                                 | 6,953                            | 537,829          | 489,549          | 7,515                               | 47,718                             |
| Total public safety                   | <u>17,172</u>                    | <u>2,690,377</u> | <u>2,640,894</u> | <u>18,020</u>                       | <u>48,635</u>                      |
| <b>Highways and streets:</b>          |                                  |                  |                  |                                     |                                    |
| Administration                        | -                                | 1,119,867        | 1,065,975        | -                                   | 53,892                             |
| Highways and streets                  | 13,813                           | 621,611          | 564,350          | -                                   | 71,074                             |
| Street lighting                       | -                                | 10,000           | 16,352           | -                                   | (6,352)                            |
| Total highways and streets            | <u>13,813</u>                    | <u>1,751,478</u> | <u>1,646,677</u> | <u>-</u>                            | <u>118,614</u>                     |
| <b>Sanitation:</b>                    |                                  |                  |                  |                                     |                                    |
| Solid waste disposal                  | 4,508                            | 491,333          | 442,154          | 6,500                               | 47,187                             |
| Solid waste clean-up                  | -                                | 17,500           | 17,584           | -                                   | (84)                               |
| Total sanitation                      | <u>4,508</u>                     | <u>508,833</u>   | <u>459,738</u>   | <u>6,500</u>                        | <u>47,103</u>                      |
| <b>Health:</b>                        |                                  |                  |                  |                                     |                                    |
| Administration                        | -                                | 6,344            | 5,871            | -                                   | 473                                |
| Health agencies                       | -                                | 249,769          | 249,769          | -                                   | -                                  |
| Total health                          | <u>-</u>                         | <u>256,113</u>   | <u>255,640</u>   | <u>-</u>                            | <u>473</u>                         |
| <b>Welfare:</b>                       |                                  |                  |                  |                                     |                                    |
| Administration and direct assistance  | -                                | 5,474            | 5,469            | -                                   | 5                                  |
| Intergovernmental welfare payments    | -                                | 6,000            | 6,000            | -                                   | -                                  |
| Vendor payments and other             | -                                | 16,000           | 47,659           | -                                   | (31,659)                           |
| Total welfare                         | <u>-</u>                         | <u>27,474</u>    | <u>59,128</u>    | <u>-</u>                            | <u>(31,654)</u>                    |
| <b>Culture and recreation:</b>        |                                  |                  |                  |                                     |                                    |
| Parks and recreation                  | -                                | 221,113          | 197,098          | -                                   | 24,015                             |
| Patriotic purposes                    | -                                | 300              | 300              | -                                   | -                                  |
| Other                                 | 3,000                            | 19,818           | 18,712           | -                                   | 4,106                              |
| Total culture and recreation          | <u>3,000</u>                     | <u>241,231</u>   | <u>216,110</u>   | <u>-</u>                            | <u>28,121</u>                      |
| Conservation                          | -                                | 70,480           | 66,287           | -                                   | 4,193                              |

(Continued)

See Independent Auditor's Report.

**SCHEDULE 2 (Continued)**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended June 30, 2024**

|   | Encumbered<br>from Prior<br>Year | Appropriations | Expenditures | Encumbered<br>to Subsequent<br>Year | Variance<br>Positive<br>(Negative) |
|---|----------------------------------|----------------|--------------|-------------------------------------|------------------------------------|
| Debt service:   |                                  |                |              |                                     |                                    |
| Principal on long-term debt   | -                                | 525,077        | 455,420      | -                                   | 69,657                             |
| Interest on long-term debt  | -                                | 122,273        | 118,130      | -                                   | 4,143                              |
| Interest on tax anticipation notes  | -                                | 1              | 8,303        | -                                   | (8,302)                            |
| Total debt service  | -                                | 647,351        | 581,853      | -                                   | 65,498                             |
| Capital outlay  | -                                | 1,025,361      | 1,064,084    | -                                   | (38,723)                           |
| Other financing uses:   |                                  |                |              |                                     |                                    |
| Transfers out   | -                                | 1,106,838      | 1,106,838    | -                                   | -                                  |
| Total appropriations, expenditures,<br>other financing uses, and encumbrances | \$ 46,243                        | \$ 10,181,759  | \$ 9,901,165 | \$ 24,520                           | \$ 302,317                         |

See Independent Auditor's Report.

**SCHEDULE 3**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Major General Fund**  
**Schedule of Changes in Unassigned Fund Balance**  
**For the Fiscal Year Ended June 30, 2024**

|   |                |                     |
|---|----------------|---------------------|
| Unassigned fund balance, beginning (Non-GAAP Budgetary Basis),<br>as restated (see Note 21)                                   |                | \$ 2,450,068        |
| Changes:  |                |                     |
| Unassigned fund balance used to reduce 2023-2024 tax rate   |                | (600,000)           |
| Amounts voted from fund balance   |                | (12,000)            |
| 2023-24 Budget summary:   |                |                     |
| Revenue surplus (Schedule 1)  | \$ 318,237     |                     |
| Unexpended balance of appropriations (Schedule 2)   | <u>302,317</u> |                     |
| 2023-24 Budget surplus  |                | 620,554             |
| Decrease in restricted fund balance   |                | 14,707              |
| Decrease in committed fund balance  |                | <u>12,000</u>       |
| Unassigned fund balance, ending (Non-GAAP Budgetary Basis)  |                | 2,485,329           |
| <b><i>Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis</i></b>  |                |                     |
| To record deferred property taxes not collected within 60 days of the<br>fiscal year-end, not recognized on a budgetary basis |                | (11,391)            |
| Elimination of the allowance for uncollectible taxes  |                | <u>40,000</u>       |
| Unassigned fund balance, ending, GAAP basis (Exhibit C-1)   |                | <u>\$ 2,513,938</u> |

**SCHEDULE 4**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2024**

|  | Special Revenue Funds |                            |                  |                  |                    | Capital<br>Project<br>Fund | Total             |
|--|-----------------------|----------------------------|------------------|------------------|--------------------|----------------------------|-------------------|
|  | Sewer                 | Conservation<br>Commission | Recreation       | Recycling        | Special<br>Details | Whipple<br>Town Hall       |                   |
|  |                       |                            |                  |                  |                    |                            |                   |
| <b>ASSETS</b>  |                       |                            |                  |                  |                    |                            |                   |
| Cash and cash equivalents  | \$ 366,574            | \$ 20,917                  | \$ 21,104        | \$ 41,689        | \$ 20,050          | \$ -                       | \$ 470,334        |
| Investments  | 2,915                 | -                          | -                | -                | -                  | -                          | 2,915             |
| Accounts receivable  | 78,476                | -                          | -                | -                | 14,883             | -                          | 93,359            |
| Total assets   | <u>\$ 447,965</u>     | <u>\$ 20,917</u>           | <u>\$ 21,104</u> | <u>\$ 41,689</u> | <u>\$ 34,933</u>   | <u>\$ -</u>                | <u>\$ 566,608</u> |
| <b>LIABILITIES</b>   |                       |                            |                  |                  |                    |                            |                   |
| Accounts payable   | \$ 91,108             | \$ -                       | \$ -             | \$ -             | \$ -               | \$ -                       | \$ 91,108         |
| Interfund payable  | 204,054               | -                          | 3,250            | 36,689           | 9,497              | -                          | 253,490           |
| Total liabilities  | <u>295,162</u>        | <u>-</u>                   | <u>3,250</u>     | <u>36,689</u>    | <u>9,497</u>       | <u>-</u>                   | <u>344,598</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |                       |                            |                  |                  |                    |                            |                   |
| Unavailable revenue - grants   | 89,164                | -                          | -                | -                | -                  | -                          | 89,164            |
| <b>FUND BALANCES</b>   |                       |                            |                  |                  |                    |                            |                   |
| Restricted   | -                     | 20,917                     | -                | -                | -                  | -                          | 20,917            |
| Committed  | 63,639                | -                          | 17,854           | 5,000            | 25,436             | -                          | 111,929           |
| Total fund balances  | <u>63,639</u>         | <u>20,917</u>              | <u>17,854</u>    | <u>5,000</u>     | <u>25,436</u>      | <u>-</u>                   | <u>132,846</u>    |
| Total liabilities, deferred inflows of resources,<br>and fund balances | <u>\$ 447,965</u>     | <u>\$ 20,917</u>           | <u>\$ 21,104</u> | <u>\$ 41,689</u> | <u>\$ 34,933</u>   | <u>\$ -</u>                | <u>\$ 566,608</u> |

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**SCHEDULE 5**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2024**

|  | Special Revenue Funds |                  |                  |                 |                  | Capital<br>Project<br>Fund | Total             |
|--|-----------------------|------------------|------------------|-----------------|------------------|----------------------------|-------------------|
|  | Conservation          |                  |                  |                 | Special          | Whipple                    |                   |
|  | Sewer                 | Commission       | Recreation       | Recycling       | Details          | Town Hall                  |                   |
| <b>REVENUES</b>  |                       |                  |                  |                 |                  |                            |                   |
| Intergovernmental  | \$ 66,280             | \$ -             | \$ -             | \$ -            | \$ -             | \$ -                       | \$ 66,280         |
| Charges for services   | 683,167               | -                | 12,596           | 40,319          | 22,028           | -                          | 758,110           |
| Miscellaneous  | 7,413                 | 13               | -                | 2               | -                | -                          | 7,428             |
| Total revenues   | <u>756,860</u>        | <u>13</u>        | <u>12,596</u>    | <u>40,321</u>   | <u>22,028</u>    | <u>-</u>                   | <u>831,818</u>    |
| <b>EXPENDITURES</b>  |                       |                  |                  |                 |                  |                            |                   |
| Current:   |                       |                  |                  |                 |                  |                            |                   |
| General government   | 49,903                | -                | -                | -               | -                | -                          | 49,903            |
| Public safety  | -                     | -                | -                | -               | 13,620           | -                          | 13,620            |
| Sanitation   | 663,951               | -                | -                | 11,661          | -                | -                          | 675,612           |
| Culture and recreation   | -                     | -                | 8,371            | -               | -                | -                          | 8,371             |
| Conservation   | -                     | 5,695            | -                | -               | -                | -                          | 5,695             |
| Debt service:  |                       |                  |                  |                 |                  |                            |                   |
| Principal  | 133,755               | -                | -                | -               | -                | -                          | 133,755           |
| Interest   | 40,567                | -                | -                | -               | -                | -                          | 40,567            |
| Capital outlay   | 11,476                | -                | -                | -               | -                | 633,999                    | 645,475           |
| Total expenditures   | <u>899,652</u>        | <u>5,695</u>     | <u>8,371</u>     | <u>11,661</u>   | <u>13,620</u>    | <u>633,999</u>             | <u>1,572,998</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures     | <u>(142,792)</u>      | <u>(5,682)</u>   | <u>4,225</u>     | <u>28,660</u>   | <u>8,408</u>     | <u>(633,999)</u>           | <u>(741,180)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                            |                       |                  |                  |                 |                  |                            |                   |
| Transfers out  | -                     | -                | -                | (28,660)        | -                | -                          | (28,660)          |
| Debt proceeds  | -                     | -                | -                | -               | -                | 786,000                    | 786,000           |
| Total other financing sources (uses)                             | <u>-</u>              | <u>-</u>         | <u>-</u>         | <u>(28,660)</u> | <u>-</u>         | <u>786,000</u>             | <u>757,340</u>    |
| Net change in fund balances                                      | (142,792)             | (5,682)          | 4,225            | -               | 8,408            | 152,001                    | 16,160            |
| Fund balances, (deficit) beginning,<br>as restated (see Note 21) | <u>206,431</u>        | <u>26,599</u>    | <u>13,629</u>    | <u>5,000</u>    | <u>17,028</u>    | <u>(152,001)</u>           | <u>116,686</u>    |
| Fund balances, ending  | <u>\$ 63,639</u>      | <u>\$ 20,917</u> | <u>\$ 17,854</u> | <u>\$ 5,000</u> | <u>\$ 25,436</u> | <u>\$ -</u>                | <u>\$ 132,846</u> |

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**SCHEDULE 6**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Fiduciary Net Position**  
**June 30, 2024**

|                               | Custodial Funds  |                     |                 |                              | Total               |
|-------------------------------|------------------|---------------------|-----------------|------------------------------|---------------------|
|                               | Taxes            | Trust Funds         | Escrows         | State of NH<br>Motor Vehicle |                     |
| <b>ASSETS</b>                 |                  |                     |                 |                              |                     |
| Cash and cash equivalents     | \$ -             | \$ 2,139,193        | \$ 1,326        | \$ -                         | \$ 2,140,519        |
| Investments                   | -                | 920                 | -               | -                            | 920                 |
| Intergovernmental receivables | 8,198,881        | -                   | -               | -                            | 8,198,881           |
| Total assets                  | <u>8,198,881</u> | <u>2,140,113</u>    | <u>1,326</u>    | <u>-</u>                     | <u>10,340,320</u>   |
| <b>LIABILITIES</b>            |                  |                     |                 |                              |                     |
| Intergovernmental payables:   |                  |                     |                 |                              |                     |
| School                        | 6,172,738        | -                   | -               | -                            | 6,172,738           |
| County                        | 1,786,015        | -                   | -               | -                            | 1,786,015           |
| Precinct                      | 240,128          | -                   | -               | -                            | 240,128             |
| Total liabilities             | <u>8,198,881</u> | <u>-</u>            | <u>-</u>        | <u>-</u>                     | <u>8,198,881</u>    |
| <b>NET POSITION</b>           |                  |                     |                 |                              |                     |
| Restricted                    | <u>\$ -</u>      | <u>\$ 2,140,113</u> | <u>\$ 1,326</u> | <u>\$ -</u>                  | <u>\$ 2,141,439</u> |

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**SCHEDULE 7**  
**TOWN OF NEW LONDON, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2024**

|   | Custodial Funds   |                     |                 |                              | Total               |
|---|-------------------|---------------------|-----------------|------------------------------|---------------------|
|   | Taxes             | Trust Funds         | Escrows         | State of NH<br>Motor Vehicle |                     |
| <b>ADDITIONS</b>                              |                   |                     |                 |                              |                     |
| Contributions                                 | \$ -              | \$ 112,000          | \$ -            | \$ -                         | \$ 112,000          |
| Investment earnings                           | -                 | 94,796              | 5               | -                            | 94,801              |
| Change in fair value of investments           | -                 | 16,732              | -               | -                            | 16,732              |
| Tax collections for other governments         | 16,358,116        | -                   | -               | -                            | 16,358,116          |
| Fees collected for the State of New Hampshire | -                 | -                   | -               | 342,455                      | 342,455             |
| Total additions                               | <u>16,358,116</u> | <u>223,528</u>      | <u>5</u>        | <u>342,455</u>               | <u>16,924,104</u>   |
| <b>DEDUCTIONS</b>                             |                   |                     |                 |                              |                     |
| Payments to other governments                 | 16,358,116        | 200,000             | -               | -                            | 16,558,116          |
| Payments of motor vehicle fees to State       | -                 | -                   | -               | 342,455                      | 342,455             |
| Total deductions                              | <u>16,358,116</u> | <u>200,000</u>      | <u>-</u>        | <u>342,455</u>               | <u>16,900,571</u>   |
| Net increase in fiduciary net position        | -                 | 23,528              | 5               | -                            | 23,533              |
| Net position, beginning                       | -                 | 2,116,585           | 1,321           | -                            | 2,117,906           |
| Net position, ending                          | <u>\$ -</u>       | <u>\$ 2,140,113</u> | <u>\$ 1,326</u> | <u>\$ -</u>                  | <u>\$ 2,141,439</u> |

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